

Realty Trust Review

April 13, 1979

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RELATIVE APPEAL RANKING & ADVISORY ISSUE

Investment policy: Thirst for properties dominates selections.....	1
Ranking changes in this issue.....	1
Roster of No. 1 Ranked stocks.....	16
Stocks with important revisions in this issue listed.....	16

INVESTMENT POLICY: PROPERTY TRUSTS FAVORED AS REIT BULL MARKET STAYS STRONG

Don't, dear friends, be spooked by all the widely publicized worries surrounding the Dow-Jones Industrials. You know the litany. Remember we are in a bull market for realty trust stocks, especially those with an equity kicker, and act accordingly. Look around at what's happening:

--Brabant N.V., a Netherlands Antilles investor, will tender at \$25 for the 4.8 million shares of Continental Illinois Properties, until now ranked No. 1. It's a \$120 million deal at 6% above our benchmark of net book value plus accumulated depreciation of \$23.57/sh. See p. 5.

--Johncamp Realty, joining Canadian and U.S. interests, has received tenders for 45% of Prudent Real Estate and will buy shares if a Federal court permits. Meanwhile REIT Mortgage Trust of Amer. joins the fray by buying 6.4%. New review on p. 13. Johncamp's price is 16% below our benchmark of net book value plus depreciation.

--First Fidelity Inv. Trust now looks like it will liquidate at \$13.64/sh., about 9% below the combined \$15.03 net book value plus depreciation before breakup.

We mention these as evidence that third-party investors appear willing to pay, with-

out compulsion, somewhere within a range of plus/minus 15% of the combined net book value plus depreciation. Some of you still think we're going ape by adding the two in our statistics (we were berated at a recent NAREIT meeting). But the real world says that our method of approximating market value is valid for REITs who say by their dividend policies that depreciation isn't real for them. So our ranking changes (below) stress one-time mortgage trusts that aren't yet recognized fully as property owners. The key to valuation is institutional quality of the underlying real estate, and we've tried to crank this into the Rankings. Major developments are shown on p. 16.

INCREASES IN RANKINGS

Amer. Cent.	Eastover Cp.	NJB Prime
Amer. Fletch.	Fidelco Gr.	So. Atlantic
BRT Realty	Grt. Amer.	State Mut.
Cameron-Br.	Guardian MI	TRECO
Compass Inv.	Indiana M&R	Tri-South MI
Consol. Cap.	Maryland R.	

DECREASES IN RANKINGS

Baird & War.	C.I. Mtg. Gr.	Cont. Ill. Pr.
Bay Colony	C.I. Realty	First Memph.

Most of these trusts have enjoyed strong recent price surges and are ripe for profit taking. The recent tender puts a lid on Cont. Ill. Properties.

KEEPING UP WITH OUR SISTER SERVICES

REAL ESTATE DISCLOSURE DIGEST's April 20 issue will contain our annual review of the commingled pension funds investing in real estate. Single copy: \$10 prepaid.

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Individual portfolio consultation: \$175 hr. to subscribers. \$250 nonsubscribers

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from No. 1 to 5 based on individual dividend and earnings outlook compared to the overall market. Non-dividend paying trusts are shown with an "N" beside their rankings. Each summary contains brief advice and comment. Changes in rankings are indicated by \uparrow UP and \downarrow DOWN. Relative Appeal Rankings mean:

- 1--Highest appeal with lowest market risk; Dividend and earnings outlook stable to up.
- 2--Above average appeal, higher market risk; Dividend increases or resumption possible.
- 3--Average appeal and market risk; Dividend fluctuates or resumption possible long-term.
- 4--Below average appeal, high market risk; Dividend cuts or omissions possible.
- 5--Least general appeal; Special problems suitable for sophisticated investors only.

NON-DIVIDEND PAYING trusts are not recommended for income investors but may have trading appeal as speculations upon quick or large price moves on asset swaps, money market or other news.

All numbers are amounts per share except those denoted "M" or "T" for million and thousands respectively. E or Est.=Estimates for current or next years. EPS=Earnings per share. CFS=Net cash flow per share as computed by Audit Inv. Res. GCF=Gross cash flow per share. d=Deficit. FY=Fiscal year. Data, rankings and advice reviewed bimonthly. See footnotes at end of Rankings on Page 16 for important information on Tax status, Taxloss, Depreciation, Loss Reserve, Net Cash Flow. *Priced Mar. 19; all others Apr. 9. Bid prices used for all OTC stocks. # Audit Investment and/or its officers & employees hold minor positions in these stocks.

\uparrow 2N-AMER CENT: \$3.88 (ACT-NYS) Comment: Buy, recovery & improving props. Higher inter. may widen '79 loss. (Shs: 2607T, Book \$5.13). Bonds: Speculative yield. Intangibles: Loss res.\$5.93; Taxloss \$8.94. Assets: \$99M, 14% non, 38% low-earn; 69% forecl.; Mix: 33% office, 19% hotel, most Wash. D.C. Financing: \$70M debt is 5.3X \$13.4M net equity. \$52M bank debt extended 12/81 @ prime to 10% maximum.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78..	d19c	d13c	d7c	9ca	d28ca
FY'79..	d7c	d17c			

a-Incl. 9c asset swaps.
(CAN END REIT: Life co. advisor)

2 -AMER EQUITY INV: \$8.75 (AEQTS-OTC). Comment: Buy for yield, part from capital gains, & improving operations. (Sh: 2497T, Net book \$6.29; Accum. Deprec. \$4.28). Assets: \$61M, 2% nonearn. Mix: 76% props., 19% mtgs. on props. sold, 3% GNMA certifs. Props. 80% garden apts. w/3,650 units; 49% TX. Financing: \$45M mtg. debt is 2.9X \$16M equity. Earnings: \$1.14/sh. in Dec.'78 incl. 59c asset sale gains. Div: Pd \$1.12 in '78 (61% cap. gains); \$1.60 ann. rate. (Admin. by Life Inv. Insur., Cedar Rapids, IA)

\uparrow 3N-AMER FLETCHER: \$2.00* (AFM-OCT) Comment: Hi-risk spec. on more improvement. Clean balance sheet; No auditor opin. '78. (Sh: 1352T; Bk p\$1.54. Intangibles: Loss res. \$9.87; Taxloss \$15.50. Assets: \$44M, 84% non-& low-earn; 65% forecl. Mix: 48% land/dev., heavy Fla. Financing: \$27M bank debt is 76X \$0.4M equity. \$20.7M bank debt to 12/31/82 accrued at 4% inter., 2@ cash + contingent to 114% prime.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'78	d74c	d66c	d69c	1.06a	d1.03a
FY'79	67cb	42cb	d4cb	1.22b	2.33b

a-89c interest forgiveness. b-Asset swaps & NOL totaling \$2.37 in FY'79.
(NON-QUAL TRUST: Indiana bank advisor)

5N-AMER REALTY: \$1.75* (ARB-OTC) Comment: Sophisticated spec. only on restructuring; Liquidity low; Broker Brent Baird joined board. (Sh: 2222T, Bk \$2.97) Bonds: Missed 5/78 int. on 7% converts & Indenture Trustee seeks judgment; \$3.5M of 9 $\frac{1}{2}$ % debts. due Mar. 15 not paid & next move uncertain. Intangibles: Depr.\$3.55; Loss Res: 52c; Taxloss: 72c. Assets: \$36M, 37% nonearn. Mix: 74% prop. incl. 40% hotels Wash.D.C. area, 29% land. Optioned Atlanta hotel site for \$1.63/sh. gain. Financing: \$26 $\frac{1}{2}$ M debt is 3.2X equity; Converted \$4.8M demand debt to mtg; Remaining \$6M being restructured. Earnings: Dec. Q d73c incl. 90c loss prov. & 14c sale gain; Mar. Q to incl. 16c sale gain. (FY Sept.; NON-QUAL TRUST: Self-administered)

2N-API TRUST: \$2.75 (APITS-OTC) Comment: Selling assets to pay debt; recovery spec. on restructuring of sponsor Arlen Realty. (Sh: 1012T, Book \$7.15) Intangibles: Loss res: \$2.40; Depr. \$1.72; Taxloss NR. Assets: \$35M, E19% nonearn. Approx. 18% inv. assets due from Arlen Rlty. Mix: 37% prop, most shop. ctrs; 12% financing leases, 51% mtgs. Sold 11 shop. ctrs, to sell 6 more. Financing: \$26 $\frac{1}{2}$ M debt is 3.7X \$7.2M equity; Debt is \$18M mtgs. & \$8M bank.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	3c	d7c	d47c	d55c	d1.07a
FY'79	32cb	d19cb	3cb		

a-Incl. 65c loss on asset sales. b-65c gains on asset sales.

(Advised by Sub. of Arlen Realty)

2N-ATLANTA NAT: \$4.25 (ATNAS-OTC) Comment: Still room at 53% below book; Lee Balter/Reed Rubin w/17% shs. took board seats in Oct. (Sh: 1273T, Bk \$8.96) Intangibles: Loss res: \$3.79; Taxloss \$7.86. Assets: \$24M, 56% nonearn, 35% forecl., rest mtgs. Mix: 27% apts., 17% land, 18% condo; 34% TX, 37% Fla. Financing: \$6M debt (all bank) is 0.6X \$11 $\frac{1}{2}$ M equity; Bank debt at 115% of prime; Assets pledged.

	Nov.	Feb.	May	Aug.	Year
EPS: FY'78	d12c	d4c	24ca	d1c	6ca
FY'79	d3c				

a-Incl. 11c inter. reversal & 2c taxloss.
Est: Small profit FY'79. (NON-QUAL TRUST;
Became self-administered 3/31/79.)

↓ 3-BAIRD & WAR: \$11.25 (BAIDS-OTC) Comment: Buy/
hold. Stockbroker Icahn Co. owns 28% shs. &
backs opposing trustee slate in vote set for
2PM May 22; Present trustees propose liqui-
dation & seek 2/3 approval in vote one-hour
later May 22. (Sh: 1043T, Bk \$15.85) Con-
verts: LT yield. Intangibles: Loss res. \$2.85;
Depr. \$1.28. Assets: \$51M, 20% non-earn, 4%
forecl. Mix: 38% investment prop, mostly
apts., & 59% const. loans. Financing: \$31M
debt is 1.9X \$16½M equity.

	Oct.	Jan.	Apr.	July	Year
EPS: FY'78	d3c	d59c	d8c	d23ca	d93ca
FY'79	d1c	d50c			

a-Incl. 5c asset sale gains.
Est. FY'79 better. Div: Paid 5c sale gains
Dec. (Chicago mtg. banker advisor)

1-BANKAMER RL: \$14.38 (BRLTS-OTC) Comment: Buy/
hold for 16% recovery to book. (Sh: 3547T,
Book \$17.16) Converts: Yield. Intangibles:
Loss res. 90c; Depr. 96c. Assets: \$176M, 14%
non- & low-earn. Mix: 41% prop, 26% apts, 32%
shop.ctr. Combines land/lease & LT mtgs.
Financing: \$119M debt is 2.0X \$61M equity.
Debt: \$50M comcl. paper, \$18M bank short.
EPS: Oct. Jan. Apr. July Year
FY'78 1.41a 18c 31c 37c 2.27a
FY'79 32c 42cb E1.00+

a-Incl. \$1.46 gain on asset sale. b-16c
asset sale gain.

Div. Q 25c; \$1.00 ann. rate; '78 payout
78% cap. gain. (Advised by sub. of largest
U.S. bank)

3N-BARNES MTG: \$2.50 (BARNES-OTC) Comment: Av-
erage recovery spec.; book eroding by high
costs of selling condos. (Sh: 1910T, Book
\$9.82) Intangibles: Loss res: \$1.70; Taxloss
\$8.31. Assets: \$78M, 78% nonearn, 47% forcl.
Mix: 44% condos, 32% land/devel.; 43% Fla.,
32% Puerto Rico. Financing: \$53M debt (most
bank) is 2.8X \$18.8M equity. Debt at 125% of
prime to 12/80; Missed repayments & talking.
EPS: Dec. Mar. June Sept. Year
FY'78 d19ca d20ca d23ca d78ca d1.40a
FY'79 d50cb

a- 93c asset sale gains + 20c swap gains.

b- 43c gain on condo sales.

See more losses. (NON-QUAL; Self-adm. 1/79)

↓ 3N-BAY COLONY: \$5.38 (BAY-NYSE) Comment: Take
some profits after runoff; Hold longer term.
(Sh: 3315T, Book \$6.27) Bonds: Hold.
Intangibles: Loss res. \$3.83; Taxloss \$8.20.
Assets: \$151M, 47% non-earn, 20% low-earn.
36% held for sale; Mix: 19% apts., 33% land;
Developing land. Financing: \$122M debt is 5.7X
\$21½M equity. Bank debt \$23M at 3% due 2/81
& \$63M at 8½% due 5/86.

	Aug.	Nov.	Feb.	May	Year
EPS: FY'78	d1c	d7c	7c	d7c	d8ca
FY'79	7cb	31cb	d25cb		

a-18c swap gains; b-95c sale gains 9 mos.
(NON-QUAL TRUST: Self-administered)

↑ 2N-BRT RLTY: \$1.75 (BRT-ASE) Comment: Spec. on
recovery; Broker Brent Baird bought 5%. (Sh:
1400T, Bk \$2.29) Intangibles: Loss res. \$2.49;
Taxloss \$2.72. Assets: \$22M, 71% nonearn; 44%
hotel. Financing: \$15M debt is 4.0X \$3.8M
equity. \$9M bank debt ½% over prime to 7/81.

	Feb.	May	Aug.	Nov.	Year
EPS: FY'78	d5c	26c	31c	d41c	d51c

(NJ realty broker adviser)

#2N-BT MTG INV: \$2.38 (BTM-NYS) Comment: Spec. on
swap gains restoring positive equity. (Sh:
2116T, Bk d\$3.12) Bonds: Risky hope assets re-
cover by '82. Intangibles: Loss res. \$10.45;
Taxloss \$6.57. Assets: \$116M, 69% nonearn, 34%
forecl. Mix: 30% apts., 15% motel, 10% nursing
home. Financing: \$103M debt over d\$6.6M neg.
equity. \$84M bank credit to 1/14/81, at 0% int.
if all terms met. Sponsor lends 63% of credit.
Accepted \$46.7M swap bids for closing 5/20/79;
Could bring positive net worth.

	Dec.	Mar.	June	Sept.	Year
EPS: FY'78	d5cb	31cb	d14cb	d47cb	d35cb
FY'79	22ca				

a-Incl. 35c int. arrears. b-\$1.20 asset
swap gains & 31c sale gains.

(CAN END REIT; Advised by sub. of Bankers
Trust, NYC bank)

4N-BUILDERS INV: \$1.75 (BULDS-OTC) Comment: For
believers; long recovery. Issued 1M wts. ex-
er. @ \$1.72 to settle class action; wts. re-
deemable @ \$1.40 in '82. (Sh: 2929T, Bk 54c)
Intangibles: Loss res. \$6.62; Taxloss \$15.88.
Assets: \$128M, 49% non, 41% lowearn; 29% condo,
24% land. Financing: \$106M debt is 67X \$1.6M
net equity. \$83M bank debt at 2% to 9/79; 3% &
higher after to '83. Assets pledged; Seeks
stretch of \$40M in '79 repayments & will swap
more assets. Earnings: Dec. Q 46c after 53c
swap gains. (FY Sept.; NON-QUAL; Self-adm.)

↑ 1N-CAMERON-BR: \$4.00 (CB-NYSE) Comment: Recovery
spec. on bank debt paydown; Clean bal. sheet &
52% below book; Asset swaps boosted book.
(Sh: 2016T, Book p\$8.42) Intangibles: Loss
res. \$5.38; Taxloss \$2.38. Assets: \$65M, 55%
non- & 26% low-earn; 60% forcl. Mostly resid.
in Southeast; 35% apts., 30% land & devel.
Financing: \$61M debt is 4.3X \$14M equity;
\$53M bank debt at 3% or net income to 12/79;
No sub. debt; \$7M interest notes.

	Mar.	June	Sept.	Dec.	Year
EPS: 1977	d39c	d33c	d38c	d48c	d1.58
1978	d25ca	d11ca	9ca	1.27a	1.01a

a-Incl. \$2.06 swap gains '78.

Swaps and sales cut bank debt to \$36M at 12/78.
(NON-QUAL TRUST: Advised by N. Carolina bank.)

2N-CAPITAL MTG: \$1.75 (CMU-PH) Comment: Spec. buy
on potential benefits of proposed merger into
Columbia Corp., Md. S&L holding co. controlled
by trust officers & trustees. (Sh: 1675T common,
Bk d\$1.05p) Pfd.: 469T sh. issued to banks.
Converts: Spec. yld. Intangibles: Loss res.
\$11.03; Taxloss \$13.01. Assets: \$60M, 56%
nonearn, 43% forecl. Mix: 36% land (being
developed), 19% hotel/motel, 31% LT mtgs.
55% Wash.D.C. area. Finances: \$46½M debt
over d\$2M net equity; \$32M bank debt at 3%.

EPS: Mar. June Sept. Dec. Year
 1977 d79c 40c d1.78 11c d2.06a
 1978 49ca d55ca d1cb 19cb 0.12ab
 a-Swap gains: \$1.52 in '77; \$1.31 in '78.
 b-Sale gains: 21c '78.
 (NON-QUAL TRUST; Independent)

2N-CENTRAL MI: \$7.75 (CMRTS-OTC) Comment: Buy/hold at 42% below book; operating breakeven & selling land; Rejected one merger overture but still buyout. (Sh: 775T, Book \$13.42) Intangibles: Loss res. 92c. Assets: \$17M, 14% non- & 2% low-earn; 16% forecl. 38% apts., 31% land; most Midwest. Financing: \$5.8M debt (92% bank) is 0.6X \$10M equity. New \$6M bank credit to 10/80 at 117% prime permits new loans; No subor. debt.
 EPS: June Sept. Dec. Mar. Year
 FY'78 d39c d15c 4c 3c d47c
 FY'79 26ca 54ca 60ca

a-Incl. 87c asset sale gains in 9 mos.
 (Advised by Minneapolis mtg. banker)

5N-CHASE MAN: \$0.75* (CMR-OTC) Comment: Avoid or sophisticated spec.; Massive dilution under proposed Ch. XI plan. (Sh: 5098T, Bk d\$6.04) Bankruptcy: Filed Ch. XI 2/22/79; banks dominate creditors' cmt. Plans to seek creditor approval of plan similar to this earlier proposal: Exchange new Ser. A pfd. w/\$30.75 liquidating value & convt. into 24½ sh. or potential 46.9M new sh. Would repay defaulted 7-7/8% sr. notes at 90% of par + 7 pfd. sh. (Est. \$1070 total value) & swap assets for \$150M bank debt, & issue 5.2M sh. to banks. Subor. debt wld get \$150 cash + 20 pfd. (Est. \$640 total value) but may be improved. New voting lineup: Sub. debt 68%; banks 10%; current shs. 10%. Filing proxy. If accepted trust wld keep 2,700-acre Palmas del Mar resort in PR & 3 other assets w/\$50M value (or 96c/sh. on potential sh.) Intangibles on current sh: Taxloss \$8.90; Loss res. \$5.35.
 EPS: Aug. Nov. Feb. May Year
 FY'78 39c d1.69 d1.37 d1.26 d3.93a
 FY'79 d97b d1.21

a-Incl. \$1.83 swap & extra gains. b-16c asset sale gains.

(NON-QUAL; Sponsor Chase Bank walking)

3N-CI MTG GR: \$5.88 (CI-PH) Comment: Trading spec.; banks restored positive equity by completing swaps; Sponsor may buy up to 1M shares. (Sh: 4812T, Book \$5.82) Intangibles: Loss res. \$4.57; Taxloss \$11.64. Assets: \$125M, 41% non- & 52% lowearn, 68% forecl. 49% apts., most Northeast. Financing: \$85M debt is 3.0X \$28M equity after Dec. '78 swap; \$77M bank debt secured & inter. notes accruing at 5% to 10/82. Swapped \$144M bank debt in Dec. for \$100M net book value of assets, for \$44M gain. Swapped in Feb. for \$2.6M gain & \$8.4M bank debt.

EPS: Jan. Apr. July Oct. Year
 FY'78 d35c d24c d23c d.03 d0.85
 FY'79 9.19a

a-Asset swap & taxloss gain: \$9.56
 (NON-QUAL; advised by sub. of City Investing)

3 -CI REALTY: \$24.25 (CIX-NYSE) Comment: Limited potential after price surge; Holder group to seek liquidation vote; NYC offices improving; 12% of shs. bought by outsiders (Tamco) & 15.6% by adviser. (Sh: 2609T, Net Book \$16.59 + Dep. \$5.31) Intangibles: Taxloss \$2.53. Assets: \$103M, 4% nonearn; 93% props. Mix: 46% NYC offices, 43% apts., 10% shop. ctrs. Financing: \$70M mtg. debt is 1.6X \$43M equity. No int. rate exposure.

EPS/CFS May Aug. Nov. Feb. Year
 FY'78 d14/+2c d13/+2 d8/+7 13/27a d22/38a
 FY'79 d8/+8 d9/+12 1/24

a-Incl. 23c prop. sales gain.
Div: Resumed 1/79. 40c ann. rate. (NON-QUAL: Advised by sub. of City Investing)

NR-CITINAT DEV: \$7.88* (OTC) Comment: Intends to dispose of assets and distribute proceeds to shareholders. (Sh: 600T, Book \$13.63)

3N-CIT & SO RL: \$2.00 (CZS-NYSE) Comment: Take-over spec. since bank agreement caps book value. (Sh: 3831T, Book \$1.50; 12,964T reserved for wts.) Ser. B wts. & new 3%/7% debent. listed on PSE; Debs. usable at par to exercise wts. @ \$2. Intangibles: Loss res. \$6.19; Taxloss \$17.41. Assets: \$129M, 25% nonearn. Mix: 55% invest. props; 28% mtgs.; 33% apts.; 39% GA, 26% TX. Financing: \$102M debt is 17.7X \$5.7M equity. \$76.6M bank debt accrued at 2% interest to 9/82.

EPS: Sept. Dec. Mar. June Year
 FY'78 d3c 16c d20c d21c 33cb
 FY'79 1.77a d20c

a-After \$1.86 swap gains. b-After 45c swap gains; Quarterly figures do not add. All share amts. on primary shares, which vary widely with market price.

(NON-QUAL: To change name & become self-adm.)

3N-CIT GROWTH: \$4.00 (CITGS-OTC) Comment: Hold; Broker Brent Baird owns 24.4%. Eastover owns 4.7% & seeks to manage assets. (Sh: 811T, Bk \$6.85) Intangibles: Loss res. \$2.22; Taxloss \$7.68. Assets: \$9M, 53% nonearn, 22% forecl. Mix: Heaviest motels & land. Financing: \$2.1M debt is 0.4X \$5.6M equity. \$1.2M bank credit to 7/80 at 5%; Sold land Jan. Q & reduced bank to \$974T @ 4%. Assets pledged. Earnings: Oct. Q 2c (FY Jan.; NON-QUAL; Adv. by independent Cleveland group)

5N-CITIZENS MI: 38c* (CZM-OTC) Comment: Avoid; in Ch. X. (Sh: 1421T, Book d\$17.17) Notes: 8½% of '80 high risk play on hope that former sponsor must pay in full; otherwise not much left if banks get full payment under CH. X "absolute priority" rule. Noteholders' committee formed 2/28/79. Bankruptcy: Filed Ch. X 10/78 after trustee Chemical Bank called 8½% notes; 8½% were in default since 10/15/76.

EPS: Mar. June Sept. Dec. Year
 1978 d56c d45c d15c

No auditor's opinion '77. Intangibles: Loss res. \$14.22; Taxloss \$11.68. (NON-QUAL TRUST: Self-adm. 1/79; run by court appointed trustee)

- 2 -CLEVETRUST: \$6.88 (CTRIS-OTC) Comment: Buy/hold long-term or for takeover at 46% below book; '79 EPS down unless assets sold. (Sh: 2525T, Book \$10.72 + Depr. \$2.08) Intangibles: Loss res. \$2.95; Taxloss \$3.52. Assets: \$78M, 26% non-, 15% low-earn; 28% for sale. Mix: 74% props. incl. sale; 28% apts., 48% comcl/office, 15% land. Financing: \$53M debt is 2.0X \$27M equity. \$18M bank debt to 12/31/82. \$4M at prime, \$14M at 7½%.
EPS/CFS Dec. Mar. June Sept. Year
 FY'78 d1/d3ca 73/76ca d17/d30c 22/43ca 88/86ca
 FY'79 2/7c
 a-\$1.48 asset sales gains & 42c taxloss benefits in FY'78.
Div: Resumed 3/79 5c/Q. (NON-QUAL TRUST: Adv. by Cleveland bank sub.)
- 2N-COLWELL MTG: \$2.38 (CLMTS-OTC) Comment: Buy/hold for moderate LT recover; Pfd. (\$2.63-OTC) favored, \$7.50 liquidate value. (Sh: 2030T com. + 2149T pfd., Bk \$2.83 combined) Bankruptcy: Completed Ch. XI Apr. '78, paying cash & pfd. for old sub. debt; Banks get 8% int. & asset pledge. Intangibles on total sh: Loss res. \$3.72; Taxloss \$8.85. Assets: \$110M, 22% non-, 8% low-earn; 36% forcl. + 23% refinanced; 34% apts., 14% motel, 20% shop. centers. Financing: \$87M debt is 7.4X combined \$11.8M equity. \$85M secured bank debt @ 8%.
EPS: Mar. June Sept. Dec. Year
 1978 d25c 6.12a d1.12 d30c 4.45a
 a-Incl. \$4.64 gain on bankruptcy stlmt.
Est: Elimination of subor. debt interest to aid results. (Adv. by LA mtg. banker)
- 1N-COMPASS INV: \$1.50 (CMPSS-OTC) Comment: Bonds & shs. spec. on benefits of control takeover by holders Joe Akerman/John Wertin, 46½% of sh. owners, on March 30, 1979. (Sh: 3109T out; Book p\$4.18) Intangibles: Loss res. \$1.04; Taxloss NA. Assets: \$39M, 70% nonearn, 58% forcl. Mix: 38% apts., 31% land, most FL & GA. Financing: \$23M debt over \$11.7M equity; 30% mtgs. & 60% converts. 8½% Bonds: Paid part of back inter.; \$16.4M convt. at \$1.35 after 12/78 adjustment, or 12,175T sh.
EPS: Dec. Mar. June Sept. Year
 FY'78 3c d77c 55ca 2.99a 3.40a
 FY'79 53cb
 a-Incl. \$2.48 asset swap gains; EPS on primary sh.; Yr. \$2.99 diluted. b-18c sale gain.
 (NON-QUAL TRUST; Was Barnett-Win.; Self-adm)
- 1 -CONN GEN: \$20.50 (CGM-NYSE) Comment: Buy/hold long-term for equity buildup. (Sh: 5723T, Book \$18.70 + Depr. \$1.71) Converts: Safe yield. Intangibles: Loss res. 85c. Assets: \$328M, 2% non-, 3% low-earn; 4% foreclosed; Expanding properties, now 44%. Mix: 37% regional shop. ctrs., 31% resid. Financing: \$225M debt is 2.1X \$107M equity. Only \$2M short-term debt; \$90M term debt mostly at 8.75%, plus \$56M mtgs; \$78M convt.
EPS/CFS: June Sept. Dec. Mar. Year
 FY'78 46/55c 39/52c 32/44c 33/44c 1.50/1.95
 FY'79 30/50ca 29/52ca 29/54ca El.30/2.00
 a-Asset sale gains: 17c in 9 mos.
Div: Dec. Q 45c, \$1.80 ann. rate.
 (Major life ins. co. adviser)
- 3 -CONSOL CAP RL: \$28.00 (CCPLS-OTC) Comment: For speculative income, over book; '78 div. 14% cap. gains & 86% taxfree cap. return. (Sh: 1989T, Book \$17.29 + Depr. \$8.00) Assets: \$132M, 91% properties. Mix: 82% apts. w/8,644 units; 16% shop. ctrs.; 51% TX. Financing: \$96M debt is 2.8X \$34M equity. Debt: \$93M secured mtgs., \$2.6M bank.
EPS/CFS Feb. May Aug. Nov. Year
 FY'78 d24/29 d9/45 93/1.44a d7/45 52c/2.63
 FY'79 3/56a d7/42 d19/31c 52/1.04a 29/2.33a
 a-Asset sale gains: \$1.20 Aug'77; 6c Feb'78, 47c Nov'78.
Div: Mar. mon. 17.17c or \$2.06 ann rate.
 (Managed by Oakland, Cal. realty group; Sponsors offering new Con. Cap. Income Trust shs.)
- 3 -CONT ILL PR: \$25.13 (CIE-NYSE) Comment: Brabant N.V., Netherlands Antilles, offering \$25/sh.; Limited arbitrage. (Sh: 4808T, Bk \$19.34 + \$4.23 Depr.) Assets: \$273M, 0.2% nonearn; Mix: 88% property, 10% dir. financing leases, 2% mtg; 34% apts., 30% shop ctrs., 24% offices. Offer: Proxy in process for Brabant offer. Financing: \$184M debt is 2.0X \$94M equity. Debt: \$173M mtgs. & \$11M bank loans.
EPS/CFS Jan. Apr. July Oct. Year
 FY'78 14/33c 10/31c 9/34b 14/36b 47/1.34b
 FY'79 13/37c
 b-3c asset sale gain & 4c mtg. refin. chge.
Div: \$1.36 ann. (Adv. by sub. of Cont. Ill. Bank, Chicago)
- 3N-CONT ILL RLTY: \$4.38 (CIR-NYSE) Comment: Speculative hold on ability to sell assets to repay \$26M bank debt by Nov. 30, '79 plus \$25M subordinated debt by Dec. 15, '79. (Sh: 2797T, Book \$5.71) Intangibles: Loss res. \$9.53; Taxloss NR. Assets: \$112M, 63% forcl. 52% non & 24% low-earn; Mix: 40% land. Finance p\$76M debt is 4.7X \$16M equity. \$40M bank debt at 5% min. inter. to 130% prime to 11/79; Pledging assets; Sponsor buys or agrees to buy \$24M assets if trust can repay other banks by 11/79. Bonds: \$25M of 7 5/8s due 12/15/79; At 95½, speculation on fast liquidation.
EPS: June Sept. Dec. Mar. Year
 FY'78 0c 1.31a 66ca d9c 1.87a
 FY'79 d37c 61ca 3.44b
 a-\$2.83 swap gains in '78 & 96c in '79.
 b-\$2.62 loss res. credit & 70c sale gain.
 (NON-QUAL TRUST: Advised by Cont. Ill. Bank, Chicago, sub. Considering self-administration.)
- 4N-CONTL MTG: 38c* (CMI-OTC) Comment: Shares & bonds high risk speculation that viable entity emerges from bankruptcy; creditors & mgmt. seem at impasse. (Sh: 20838T, Bk d\$6.65) Intangibles: Loss res. \$6.38; Taxloss \$7.68. Bankruptcy: Filed Ch. XI 3/8/76 & liquidation ordered but stayed by Ch. X filing 10/22/76; Ch. X filing denied & liquidation order overturned on appeal; Sub. noteholders organized. Assets: \$570M, 93% troubled; Sold One Biscayne, Miami, for \$49M 3/79. Finances: Owes \$561M & d\$139M negative equity; Earnings: Audited d\$2.78 in FY'78 after \$2.40 addition to loss res.; 9c in 4 mon. to 7/31/78.
 (FY Mar.; NON-QUAL: Independent)

2 -DENVER RE: \$14.00 (DENVS-OTC) Comment: Buy/hold for income & possible buyout; '78 cash flow better. (Sh: 1101T, Net Book \$8.35 + Depreciation \$7.73.) Assets: \$54M. Mix by revenues: 48% office/comcl., 22% shop. ctrs., 14% motel, 12% apts. Financing: \$44M debt is 4.7X \$9M equity. Debt: \$38M mtgs., \$5M deb. EPS/CFS

	Mar.	June	Sept.	Dec.
1977	d9/0c	d7/10c	18/32c	41/66ca
1978	d5/21c	20/45c	25/51c	

a-Prop. sales gain: 11c in 1977.

Div: Mar. 20c; 80c ann. rate; '77 approx. 50% taxfree. (Independent management)

2N-DIVERSFD MTG INC: \$5.53 (DMG-NYSE) Comment: Buy/hold as merger or recovery spec.; MEI Corp. bought 7.4% of sh. (Sh: 7326T, Book \$8.44) Intangibles: Loss res. \$4.07; Taxloss \$4.94. Assets: \$133M, 82% nonearn, 30% forcl. Mix: 69% secondary & 10% primary homesites, 8% raw land. Financing: \$44M debt is 0.7X \$62M equity. Debt: \$42M from Cont. Ill. Bank; \$2M converts. Interest geared to prime & hurts EPS.

	Mar.	June	Sept.	Dec.	Year
1977	d39ca	17ca	d16ca	2.81a	2.43a
1978	16cb	d3c	d2c	6c	0.17b

a-\$4.28 asset swap, NOL & refinancing gains. b-25c bank refinancing gain + 9c NOL.

(NON-QUAL CORP: Self-administered)

3N-DOMINION MR: \$1.00* (DMRTS-OTC) Comment: Shs. & bonds hi-risk spec. on ok of proposed bankruptcy plan giving bond holders 71% of sh. (Sh: 639T, Bk d\$9.68) Bankruptcy: Filed Ch. XI 6/28/77. Plan pending. SEC seeks Ch. X. Intangibles: Loss res. \$5.46; Depr. \$3.19; Taxloss \$16.27. EPS: 89c in 6 mo. to Nov.

IN-EASTOVER CP: \$9-10½ (EASTS-OTC) Comment:

↑ Speculation on more aggressive workout, merger deals under new mgmt. Bought 18% of Texas First Mtg. stock & 9% of ICM. (Sh: 1034T, Book \$12.46) Intangibles: Loss res. \$5.46; Taxloss \$9.08. Assets: \$21M, 70% non- & 7% low-earn; 49% forcl.; 13% REIT stocks. Mix: 56% land; Most La. & other South. Financing: \$3M debt, 81% fixed rate mtgs., is 0.2X \$12½M equity.

	Mar.	June	Sept.	Dec.	Year
1977	d43c	d32c	d20c	2c	d93c
1978	d6c	46ca	53ca	57c	1.51a

a-1978: 78c Loss res. credit; 50c asset sales & 76c taxloss carryforward.

(NON-QUAL TRUST: Jackson, MS broker Leland Speed heads new mgmt. group)

3 -EQUIT LF MTG: \$18.75 (EQ-NYSE) Comment: Hold, EPS vulnerable; 1% prime=5c/sh. qtr. (Sh: 5663T, Book \$23.39) Intangibles: Loss res. 32c. Assets: \$397M, 7½% nonearn; 31% long-term mtgs., 59% short-term const. & devel. loans; Expanding ST. Mix: 27% retail, 22% lodging, 14% land. \$108M or 27.3% floats with prime. Financing: \$260M debt is 2.0X \$132M equity. Debt is \$236M short-term tied to prime & incl. \$107M comcl. paper. Bank lines \$200M.

	Jan.	Apr.	July	Oct.	Year
FY'78	48c	46c	54cb	51c	1.99b
FY'79	46c				E1.80

b-5c sale gain.

Div: \$2.00/yr. rate held.

(Major life company adviser)

1 -FEDERAL RLTY: \$16.63 (FRT-ASE) Comment: Buy/hold for income & growth from prop. purchases; Plans buying 6 shop. ctrs. w/1M sf from Amterre when Food Fair bankruptcy problems overcome; High operating return on property. (Sh: 1450T; Book \$9.77 + \$3.57. Depr. = \$13.34) Assets: \$39M, no nonearn; 99% props. w/cash flow: 74% shop. ctrs., 25% apts.; most Wash.DC area but diversifying. Financing: \$22.8M debt is 1.6X \$14M equity. Debt: 88% mtgs., 12% bank loans; Will borrow \$2M for Amterre deal.

	Mar.	June	Sept.	Dec.	Year
1977	30/32c	29/31c	27/29c	43/44c	\$1.29/1.36
1978	35/39ca	29/31c	19/25c	32/42	1.14/pl.37

a-Prop. sale gain 6c.

Div: \$1.36 ann. rate. (Independent mgmt.)

IN-FIDELCO GROW: \$4.50 (FGI-ASE) Comment: Phila. insur. man Sidney Baer bought 15% of sh. & seeks control. (Sh: 1580T, Book \$6.43) Intangibles: Loss res. \$10.25; Taxloss \$5.41. Assets: \$90M, 79% nonearn; 64% forcl. Mix: 31% land (developed & raw), 31% condos; 31% PA, 25% FL. Financing: \$58M debt is 5.7X \$10M equity. \$49M bank credit to 11/30/79 at 1% cash + earnings; Swapping. Suit: Pending class action settlement to add \$1.90/sh. to book value. EPS: Feb. May Aug. Nov. Year

	Feb.	May	Aug.	Nov.	Year
FY'77	d1.52	d1.55	d2.33	d3.94	d9.34
FY'78	76ca	19ca	1.59a	1.11a	3.65a

a-Swap gains + int. forgive: \$3.70.
(NON-QUAL TRUST; Will become self-admin. & end ties to Phil. bank)

2 -FIRST CONT'L: \$8.13 (FCRES-OTC) Comment: Hold for spec. income & increase in 10½% return on book. (Sh: 2106T, Book \$10.34) Intangibles: Loss res. 40c. Assets: \$46M, 7½% nonearn, 5% foreclosed. Mix: 59% constr., 35% devel., 6% land; 87% TX. Financing: \$30M debt (all bank) is 1.4X \$22M equity. Borrows under \$33½M bank lines at ½% over prime plus compens. balances; 1% prime=½c/sh.Q. Must pledge assets equal to debt if demanded.

	May	Aug.	Nov.	Feb.	Year
FY'78	22c	22c	23c	23c	0.90
FY'79	25c	26c	27c		E1.05

Div: Feb. Q 27c; up to \$1.08 ann. rate.

(Advised by Houston mortgage banker)

2N-FIRST DENVER MI: \$3.63 (FDENS-OTC) Comment: Recovery spec. at 47% below book. Van Schaack & Co. discusses combination. (Sh: 1621T, Book \$6.88) Intangibles: Loss res. \$3.06; Taxloss \$9.25. Assets: \$51M, 37% nonearn; 26% forecl. Mix: 21% land, 17% condo-secondary home, 7% condo-primary, 19% motels. Most Colorado. Financing: \$35M (all bank) is 3.1X \$11M equity. Bank debt to 5/81 at 6½%; Assets pledged. EPS: Dec. Mar. June Sept. Year

	Dec.	Mar.	June	Sept.	Year
FY'78	2.56a	16ca	d27ca	71ca	3.15a
FY'79	d10c				

a-Asset swap gains: \$2.73 in '78.

(NON-QUAL TRUST; Adv. by Denver bank sub.)

2N-FIRST MEMPHIS: \$5.00 (FMEMS-OTC) Comment: Less attractive spec. after swaps boosted book; Morgens-Waterfall bought 6½% of sh. (Sh: 1156T, Book p\$7.32) Intangibles: Loss res. \$4.76; Depr. \$2.08; Taxloss \$6.02. Assets: \$29M, 42% non-, 12% low-earn; 61% forcl. Mix: 35% land, 28% of-fices, 12% hotels/motels; 38% TN. Financing: \$18M debt is 2.5X \$7M equity. Swapped assets to retire nearly all ST bank debt in Feb. '79 Q; Would owe only \$7M secured bank term to sponsor, plus \$3-4M mtg. debt.

EPS: Feb. May Aug. Nov. Year
FY'78 70ca 18cab 55cab 1.04a 2.47ab
FY'79 1.14a

a-Swap gain: \$1.38 FY'78; 49¢ '79.

b-Prop. sale gains: \$1.79 in '78.

(NON-QUAL TRUST: Adv. by Memphis bank)

2N-FIRST MTG: \$1.63 (FMTGS-OTC) Comment: Spec. w/ hi-risk on new bank deal. Some smart traders buying non-public pfd. from life cos. (Sh: 8495T com.; Book d\$5.80 net) Bonds: For swaps. Pfd: 140T Ser. A & 450T Ser. B held by lenders. Intangibles: Loss res. \$1.64; Taxloss \$9.65. Assets: \$255M, 12% non-, 50% low-earn; Mix: 31% lodgings, 28% apts. Financing: \$239M debt over \$59M liquidating value pfd. & \$49M neg. common; New bank credit agreed: Would sell most prop. & repay \$85M to banks by 7/1/79, rest by 7/80. Banks wld convert Ser. A pfd. into 1934T common, & get 2336T wts. exer. @ \$1. Earnings Oct. Q 17¢ after 9¢ swap gain. (FY Jan.; NON-QUAL TRUST; Independent mgmt.)

#2N-FIRST NEWPORT: \$3.50 (FNRIS-OTC) Comment: Long recovery, making progress. Seeks acquisitions. (Sh: 2339T, Book \$3.41) Bonds: Hold; Trust buying in market. Intangibles: Loss res. \$11.54; Taxloss \$25.22. Assets: \$108M, 45% ncn, 7% low-earn; 41% forcl. Mix: 30% condos, 24% lodgings. Financing: \$77M debt is 10.6X \$7M equity. \$58M bank credit repayable by 10/82 at 5% inter. in FY'79; Lets trust repay 8.75% subor. due 5/15/79 if conditions met.

EPS: Jan. Apr. July Oct. Year
FY'78 d38c d43c 14c d36c d1.03
FY'79 34ca

a-Incl. 31¢ sale gain & 17¢ taxloss.

(Converting to NON-QUAL CORP: Independent)

3N-FIRST PENN MI: \$2.13 (FPM-NYSE) Comment: Trading spec.; Asset swap gains offset by high interest. (Sh: 2961T, Book \$1.65) Intangibles: Loss res. \$6.75; Taxloss \$9.94. Assets: \$99M, 75% nonearn, 63% foreclosed. Mix: 17% condo; 18% land; 41% comcl/indus. Financing: \$71M debt is 14.6X \$5M equity. \$58M bank debt to 11/79 accruing at prime w/ interest forgiveness; New swaps being nego.

EPS: Oct. Jan. Apr. July Year
FY'78 d1.44 d2ca d64ca 24c d2.08a
FY'79 1.17b d87cb

a-Incl. asset swap gains \$1.43

b-Incl. asset swap gains \$2.39 to date.

(NON-QUAL TRUST; Advised by sub. of First Penn. Bank, Philadelphia)

1 -FIRST UNION: \$13.75 (FUR-NYSE) Comment: Shs. & bonds: Buy for quality income; Mtg. debt cut rate risk. (Sh: 4292T com., Book \$8.59 + Depr. \$8.07=\$16.66) Assets: \$199M, 94% prop; 6% mtg. Prop. mix: 54% offices, 37% shop Financing: \$155M debt is 3.2X \$47M total net equity (\$10M pfd., \$37M common). Debt is: 77% secured mtgs., 14% short-term, 9% cvt. EPS/CFS Jan. Apr. July Oct.
FY'78 21/29ca 23/30ca 45/52ca 21/31
FY'79 20/

a-Prop. sale gains: 30¢.

Div: Incr. to \$1.08 rate; Changing to Dec. FY. (Independent Cleveland mgmt.)

3N-FIRST VIRGINIA: \$2.75* (FVM-OTC) Comment: Shs. & Bonds: Hold for modest recovery. (Sh: 1208T; Book \$7.16) Intangibles: Loss res. \$7.64; Taxloss \$10.51. Assets: \$58½M, 32% non, 1% low-earn; 33% foreclosed. Mix: 28% land; 37% Va., 34% Fla. Financing: \$43M debt is 5.0X \$8.6M equity. \$23M bank credit to 12/79 accruing at 4%. \$20M sub. debt due 11/1/80. EPS: Sept. Dec. Mar. June Year
FY'78 6c 2.85a 22c 41c 3.54a
FY'79 47cb 26cb

a-Incl. \$1.52 taxloss + \$2.90 fidelity bond

b-23¢ asset sales & 38¢ taxloss to date.

(NON-QUAL TR; Independent mgmt. tied to bank)

3N-FIRST WISC MTG: \$4.13 (FWMTS-OTC) Comment: For long recovery, some dilution. (Sh: 1988T, Bk \$5.41) Intangibles: Loss res. \$8.26; Taxloss \$20.12. Assets: \$104M, 34% non-, 43% lowearn; 70% forecl. Mix: 31% apts., 29% land, 25% Midwest. Financing: \$80M debt is 7.5X \$11M equity. \$63M bank debt at 1% or net income to 5/80; Banks provided \$6½M secured standing loans on props. EPS: Mar. June Sept. Dec. Year
1978 0ca 0ca d20c 4c d16c

a-After 92¢ loss prov. thru Sept.

(NON-QUAL TR: Adv. by Milwaukee bank sub.)

2 -FLATLEY: \$4.50 Unit (FLTLS-OTC) Comment: Buy for recovery. (Sh: 1000T, Net Bk \$7.04 + Depr. \$2.33=\$9.37) Intangibles: Taxloss 27¢. Assets: \$24M, Mix: 40% apts, 52% shop. ctrs.; 92% Mass. Bought 115T sf N.H. shop. ctr. 94% prop., 6% loans. Financing: \$17.7M debt is 2.5X \$7M equity; 83% mtgs. EPS/CFS Sept. Dec. Mar. June Year
FY'78 3/8c 11/16ca d3/2c 12/17c 23/43ca
FY'79 10/15c 10/16c E50c/

a-Incl. 8¢ sale gains.

Div: Resumed w/20¢ from FY'78. (Self-Adm.)

1 -FLA GULF: \$13.50 (FGLFS-OTC) Comment: Buy for yield & benefits of renting vacated stores; EPS flat near term. (Sh: 997T, Net Book \$14.26 + Depr. \$5.81 = \$20.07. Assets: \$32M, Mix: Over 93% strip shop. ctrs. w/2.0M sf; 92% FL. Neisner Bros. & Food Fair disaffirmed leases for abt. 166T sf or abt. 8% of space; Some re-leased. Financing: \$18M debt is 1.3X \$14M equity; \$18M mtgs. on prop.

EPS/CFS July Oct. Jan. Apr. Year
 FY'78 15/34¢ 17/36¢ 20/38¢ 14/33¢ 66¢/1.39
 FY'79 20/37¢ 16/35¢ 16/35¢ E65¢/1.40
 a- Incl. 2¢ prop. sale gain.
 Div: 32¢/Q, 51% tax-free capital return.
 (Adv. by sub. of Loeb Rhoads)

- 2N-FRANKLIN: \$8.50 (FR-ASE) Comment: Hold for earnings improvement, expanding real estate services. (Sh: 999T, Book \$8.14) Converts: Hold. Intangibles: Depr. \$11.51; Taxloss \$1.74. Assets: \$30M. Mix: 83% prop. owned, 17% joint vent. Prop. incl. JV: 11 offices midwest & FL, 11 apts., 2 motels, 1 strip shop.ctr, 1 leased land tract. Vacancies falling. Financing: \$24M debt is 2.9X \$8M equity. Debt is: 74% secured, 5% short, 22% convt.
 EPS: Sept. Dec. Mar. June Year
 FY'78 1¢ 24¢ 14¢ 9¢ 48¢
 FY'79 1¢ 20¢
 a-Incl. 20¢ sale gains & 19¢ taxloss in '78 and 3¢ & 9¢ in '79.
 (NON-QUAL: Mgmt. by independ. Phil. rlt'y gp)

- 3 -FRASER: \$10.75 (FRASS-OTC) Comment: EPS vulnerable but hold for recovery; Block of 16% bought by broker Jeff Schultz. (Sh: 1038T, Bk \$16.62) Intangibles: Loss Res. 59¢. Assets: \$45M, 9% nonearn; 7% forecl. Mix: 37% LT; 31% Ohio, 25% FL. Making new investment. Financing: \$35M debt is 2.0X \$17M equity. \$26M bank; \$9M fixed rate. 1% prime= 4¢/sh. qtr.
 EPS: Aug. Nov. Feb. May Year
 FY'78 25¢ 25¢ 26¢ 50¢ 1.26a
 FY'79 27¢ 27¢ 27¢ El.15
 a-Incl. 43¢ asset sale gain.
 Div: 28¢, paying sale gains; \$1.12 ann. rate.
 (Adv. by Cleveland mtg. banker)

- 3 -GEN GROWTH: \$28.63 (GGP-NYSE) Comment: Bucksbaum family, now 15% owners, to tender for all sh. at \$30 cash subject to 6/79 shareholder approval. (Sh: 6202T, Book \$6.01 + Depr. \$4.56 = \$10.57). Assets: \$361M, no problems; high quality. Mix: 78% shop. ctrs. (major Midwestern malls), 13% apts. Financing: \$332M debt is 8.9X \$37M equity. Debt is 89% secured mtgs. & \$25M 9-1/8% secured notes to 4/97. Earnings: Dec. Q EPS 38¢ after 3¢ gain & CFS 50¢ after 3¢ gain. Div: 39¢ Q, about 60% taxfree. (FY Sept.)

- 1N-GMR PROP: \$3.00 (GMR-NYSE) Comment: Recovery speculation & merger/acquisition candidate. (Sh: 2956T, Book p\$2.71) Bonds: 74% of 7.7% debts. tendered for \$1,025 prin. of new 8½% debts. + 50 sh. \$15.3M 8½s + 746T sh. issued. Intangibles: Loss res. \$6.39. Taxloss \$12.20 to FY'77. Assets: \$72M, 27% non- & 31% low-earn; 51% forecl. Mix: 25% apts, 24% land; 79% Southeast. Financing: \$46M debt is 5.7X \$8M equity; \$24M bank term debt to 7/17/83 accruing first at 6½%, pay 4% cash.
 EPS: May Aug. Nov. Feb. Year
 FY'78 d48¢ d18¢ d18¢ 50¢ d34¢
 FY'79 d12¢ d0¢ d14¢
 a-Asset swap gains: 90¢ '78; 26¢ '79.
 (NON-QUAL TRUST, Adv. by life insur. co.)

- 2 -GOULD INV: \$11.00 (GTR-ASE) Comment: Spec. income, poss. buyout. (Sh: 1174T, Bk \$7.11 + \$10.35 Depr.= \$17.46) Intangibles: Loss Res. 31¢. Assets: \$39M, 2% nonearn; 87% prop. owned. Mix: 19% NYC office, 6 apts, 15 strip ctrs. Financing: \$32M debt is 3.8X \$8M equity. 89% secured mtgs.

EPS/CFS Dec. Mar. June Sept. Year
 FY'78 37/47a 15/26 18/30 33/33 1.03/1.36a
 FY'79 49/56a

a-Incl. prop. sale gains: 18¢ in FY'78, 22¢ in FY'79.
 Div: 22¢ Q; 88¢ ann. rate.
 (Managed by NY realty family)

- 1 -GREIT: \$8.88 (GRT-ASE) Comment: Hold for new mgmt. & re-leasing over several yrs. of vacant Dayton office space. Shares 22% below book. Unicorp Fin. (Can.) owns 18% sh. & Geo. Mann joined bd. (Sh: 998T, Bk \$11.33) Intangibles: Depr. \$14.41; Loss res. 8¢. Assets: \$34M, several vacancies. Mix: 55% shop ctrs., 34% offices & urban stores, 2% mtgs. Financing: \$23M debt (all mtgs.) is 2.0X \$11.3M equity.
 EPS: Jan. Apr. July Oct. Year
 FY'78 14¢ 10¢ 14¢ 12¢ 50¢
 FY'79 17¢
 Div: 10¢ Q, 40¢ ann. (Independent Phil. mgt)

- 1N-GRT AMER M&I: \$4.00 (GAA-OTC) Comment: Sophisticated high-leverage play on Sunbelt realty after Ch. XI plan effectuated Apr. 6. All data pro forma: (Sh: 7372T after 1-for-4 reverse split; Book \$6.31 incl. \$10.18 debt discount). Intangibles: Loss res. \$4.63; Taxloss \$9.63. Assets: Est. \$251M assets at mkt. value incl. 40% core props. retained; 45% props. for sale; 15% mtgs. Financing: \$210M face amt. of debt incl. \$185M bank debt @ 3% to 8/87; \$15M 3% sr. subor. debts. due 8/90; & \$10.3M of 1.1-3% jr. sub. debts. due 8/91. Debt is discounted by \$75M to produce \$46½M pro forma net worth. Earnings: EPS loss expected at first as debt discount worked off; positive cash flow seen. (FY July; Self-adm.; NON-QUAL CORP)

- 2N-GROWTH RL COS: \$5.25 (GRW-NYSE) Comment: Improved spec.; Pfd. stock auth. for acquisitions & plans nat'l rlt'y. & mtg. brokerage; Claims \$4/sh. unrealized appreciation. (Sh: 2059T, Book \$7.41) Bonds: Risky yld. Intangibles: Loss Res. \$3.42; Taxloss \$10.93. Assets: \$99M, 37% non- & 12% lowearn; 46% forecl. Mix: 41% apts., 20% shop. ctrs; 42% TX. Financing: \$77M debt is 5.1X \$15M equity; \$51M bank debt to 12/81 w/int. accrued at prime to 9% max.; pledged assets; swapping.
 EPS: Sept. Dec. Mar. June Year
 FY'78 d65¢ 3.77a d22¢ 1.15a 4.03a
 FY'79 d39¢ d25¢
 a-\$4.01 interest forgiven in FY'78.
 (NON-QUAL. CORP.; Self-adm.)

- 4N-GUARDIAN: \$1.38 (GMI-PHSE) Comment: Filed Ch. XI 3/78. SEC seeks Ch. X. Hold; Spec. on reorgan. (Sh: 3000T, Book d\$12.82) Bonds: Hold. Intangibles: Loss res. \$7.53; Taxloss \$32.67.

Proposal: Repay \$204M bank debt w/o inter. thru 1990 & sh. for 3/8 of equity; Subor. debt: 7½s, \$260 cash + 254 sh; 6 3/4s & 8s, \$210 cash + 188 sh. (wld give sub. debt 3/8 of equity). One bondholder group opposes. Assets: \$188M, 59% non- & lowearn; 39% forcl. Mix: 34% land owned & in develop, 29% income-prod. prop. Financing: \$238M debt over \$38M neg. equity. Debt: \$204M bank, \$34M debent. Earnings: Nov. Q 98¢ after 48¢ taxloss. (FY Feb.; NON-QUAL TR; Self-adm.)

2N-HAMILTON: \$3.00 (HAMTS-OTC) Comment: Recovery spec. at 43% below book (Sh: 2135T, Book \$5.28) Intangibles: Loss Res. \$6.09; Taxloss \$3.26. Assets: \$68M, 24% non- & 64% low-earn; 24% forcl. Mix: 48% apts., 14% office, 15% land, 35% OK, 19% FL. Financing: \$38M debt is 3.3X \$11.3M equity; \$38M bank credit to 6/81 at prime or 10%; pay 2% cash.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d18¢	d21¢	20¢	d35¢	d55¢
1978	d8¢	d8¢	40¢	d14¢	10¢

a-Asset swap gain \$1.44 in 1977. b-Asset swap gains 82¢ & 11¢ sale gain in '78. (NON-QUAL TRUST: Self-adm.)

2N-HANOVER SQ: \$6.38 (HSQ-ASE) Comment: Buy/hold; Trustees considering sale, merger or liquidation; Major holders: W.R. Grace 13%; Brent Baird 10%. (Sh: 946T, Book \$11.20) Converts: Spec. income buy. Intangibles: Loss Res. \$2.22; Depr. 32¢; Taxloss \$6.03 as of 8/77. Assets: \$32M, 11% non- & 16% low-earn; 23% forcl. Mix: 64% resid., 15% shop. ctrs.; to sell mtgs. & repay banks. Financing: \$19M debt is 1.8X \$10.7M equity; \$14.8M bank credit at 124% prime to 10/3/79.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	31¢	d2¢	12¢	5¢	46¢
FY'79	d3¢	d7¢			

a-Incl. 38¢ asset sale gains, w/37¢ in Nov.'77. b-Incl. 33¢ gain debent. repur. (Adv. by W.R. Grace sub.)

4N-HEITMAN MTG: \$1.63 (HTM-ASE) Comment: Rising rates pinch earnings. (Sh: 3292T, Bk \$1.65) Converts: Higher risk hold. Intangibles: Loss Res. \$4.81; Taxloss \$4.50. Assets: \$112M, 48% non- & 15% low-earn; 18% forcl. Mix: 32% shop. ctrs., 13% hotels, 19% offices, 21% land; 25% Ill, 17% CA, 22% other West. Financing: \$90M debt is 13.6X \$6.6M equity; \$53M bank debt to 4/79 at prime, \$20M to 4/79 at 1/4% over prime.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d1¢	d11¢	d50¢	d4¢	d66¢
1978	1¢	d28¢	d27¢	d36¢	d91¢

a-Incl. 5¢ sale gain. (Adv. by Chicago mtg. group)

1 -HOSPITAL MTG: \$11.88 (HMG-ASE) Comment: Buy; New bank deal limits inter. risk. Some recovery at 49% below book. (Sh: 1178T, Bk \$22.50+ 62¢ Depr.= \$23.12) Intang: Loss Res. 17¢. Assets: \$35M, 34% nonearn; 1% forcl. Mix: 34% medical, 31% land, 18% apts; 2/3 FL. Swapped 2 partic. for 133 ac. Houston. Financing: \$11M debt is 0.4X \$26½M equity; Paid banks down to \$6M term loan at 1-1/4% over prime 1/3/79.

EPS/CFS	May	Aug.	Nov.	Feb.	Year
FY'78	11/14	15/18	13/19	10/16	49/67¢
FY'79	10/16	7/15	10/18		E37/65¢

Div: 60¢ ann. rate. (Adv. by Miami hosp. mgmt. co.)

1 -HOTEL INV: \$19.50 (HOT-ASE) Comment: Sh. & Bonds: Buy; We smell merger; Cutting rates on 2 mtgs., costing 2½¢/sh. Qtr. (Sh: 1568T, Book \$16.90+ Depr. \$3.06= \$19.96) Intang: Loss Res. 75¢. Assets: \$77M, 4% nonearn; 50% prop., 46% LT mtgs. All hotels/motels, most nat'l franch.; comcl. business travel oriented. Financing: \$53M debt is 2.0X \$26½M equity; Debt is \$14M secured mtgs., \$15M secured @ 9 3/4% for 15 yrs., \$16M converts., \$6M bank at prime. Dallas Marriott boosting EPS. EPS/CFS Nov. Feb. May Aug. Year
FY'78 40/53 34/50 37/50 29/43 1.40/1.96
FY'79 43/58 45/
Div: Feb. 50¢, up 11%, \$2.00/yr. (Self-adm.)

2 -HUBBARD: \$18.50 (HRE-NYSE) Comment: Buy for modest dividend increase prospects. (Sh: 4004T, Book \$24.76) Intangibles: Loss res. 30¢; Depr. \$0.36. Assets: \$92½M, 2½% nonearn all Grant vacancies re-leased except 57T sf. Most net leased retail & food stores. Net lessees: 20% Safeway, 17% Ashland Oil, 17% Chrysler. Financing: \$2½M mtg. debt is 0.03X \$99M equity. EPS: Jan. Apr. July Oct. Year
FY'78r 43¢ 45¢ 47¢ 47¢ 1.82
FY'79 43¢
r-Restated for direct financing lease acctg. Div: 40¢ for Jan. Qtr., up 5%. (Advised by Merrill Lynch sub.)

2 -ICM RLTY: \$10.38 (ICM-ASE) Comment: May sell assets to lower EPS vulnerability. LT recovery; Eastover Corp. owns 9% & L. Speed appointed trustee. (Sh: 3011T, Book \$15.26) Intangibles: Loss Res. \$4.71; Depr. 68¢. Assets: \$81M, 47% non- & lowearn; 24% forcl. Mix: 35% apts., 6% shop. ctrs., 8% land; 46% land/leasebacks. Financing: \$21M debt is 0.5X \$46M equity; Debt is 31% secured mtgs., \$16½M bank credit extended to 4/30/79 at 120% prime. Nego. new. \$13½M out at 2/28. 1% prime=1¢/sh. EPS: Feb. May Aug. Nov. Year
FY'78 15¢ 28¢ 24¢ 13¢ 80¢
FY'79 17¢
b-Incl. 16¢ prop. sales. Div: Paying annually from taxable income. Paid 50.3¢ in 2/79 from FY'78 income. (Adv. by NYC mtg. group)

3N-IDS RLTY: \$2.38* (IDR-OTC) Comment: Interesting spec. Sponsor IDS holds wt. for 50% of sh. @ \$2. (Sh: 2409T, Book \$3.65) Bonds: Hold. Bought \$84M at 80% of par. Intangibles: Loss Res. \$7.06; Taxloss \$16.84 before recent gain. Assets: \$129M, 49% nonearn; 42% forcl.; 24% land, 41% LT loans. Finance: \$104M sub. debt 11.8X \$9M equity; \$86M sub. debt at 3/79. Earnings: Oct. Q \$7.23 after \$7.26 extra. gains & 27¢ loss res. recovery. (FY Jan.; NON-QUAL TRUST)

5N-INDEPEND MTG: \$1.88* (IMTGS-OTC) Comment: Spec

on swaps. (Sh: 2500T, Bk d\$3.87) Intangibles:
 Loss Res. \$9.72; Taxloss \$18.40. Assets:
 \$104M, 86% non-& low-earn; 72% foreclosed.
 Mix: 23% condos, 26% devel; 16% FL.
Financing: \$87M debt over \$9M negative
 equity; Debt is \$68M bank term to 6/1/79,
 \$10M sub.; \$9M mtgs. Seeks restructuring
 via swaps for all bank debt. Earnings: Dec.
 Q d7c after 5c sale gain, 11c swap gain &
 18c loss prov. (FY June, NON-QUAL TRUST:
 Adv. by Phil. bank)

1N-INDIANA MTG: \$4.38 (INDMS-OTC) Comment: Hold
 for improvement, operating at approx. break-
 even ex reserve changes. (Sh: 1154T, Book
 \$8.79+Depr. 2.72=\$11.51) Intang: Loss Res.
 \$2.30; Taxloss \$6.50. Assets: \$54M, 25½% non-
 earn; 8% forcl. Mtgs. 50% (most land & comcl.)
 Prop. 41% (most offices & apts.) Sold apts.
 & offices in Mar. Q & cut bank debt to \$24M.
Financing: \$41M debt is 4.0X \$10M equity; \$30M
 bank credit to 10/79: \$18M at 8½% & \$13M at
 8% min., 10% max.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	+0ca	d2ca	1ca	37ca	36ca
FY'79	9ca	d9c			

a-Loss res. credits of 72c in FY'78;
 7c in Sept. '78.

(Advised by Indiana bank; To become Corp.)

1N-INSTITUTIONAL IN: \$2.38 (INV-NYSE) Comment:
 Spec. on merger/acquisition. (Sh: 6074T, Book
 \$2.88) Bonds: 72½% of old 7 7/8s took \$1,050
 of new 8½% 1st Priority sub. notes + 50 shs.
 Issuing \$15.2M new 8½% + 724T new sh. Intang-
gibles: Loss Res. \$1.32; Depr. 16c; Taxloss
 \$6.71. Assets: \$83M, 60% non-& 25% low-earn;
 60% forcl. Mix: 15% apts., 48% land; 18% FL.
Financing: \$60M debt is 3.4X \$17M equity;
 \$28½M bank credit to 1/82.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'77	d36c	d41ca	d29ca	d1.41a	d2.47a
FY'79	d35cb	33cb	d10c		

a-36c sales gain & 31c swap gain.

b-39c gain debt extinguishment.

(NON-QUAL TRUST: Self-adm.)

2 -INVESTORS RL: \$9.00 (IRT-ASE) Comment: In-
 teresting long-term recovery buy at 37%
 below book. Proposes exch. 850,532 sh. for
 Summit Props. (Sh: 1479T, Book \$11.12+Depr.
 \$3.13=\$14.25) Intangibles: Loss Res. 54c.
Assets: \$30M, 4% nonearn. Mix: 54% apts.,
 15% shop. ctrs.; 77% property.
Financing: \$13M debt is 0.8X \$16M equity;
 \$1.8M bank debt, \$11M mtgs.

EPS/CFS	Feb.	May	Aug.	Nov.	Year
FY'77	3/18	d1/14	d14/0	51/64a	39/96ca
FY'78	8/19	30/37	12/19	16/22a	65/97ca

a-Prop. sales gain 93c in '77; 9c '78.

Div: Paying 60c/yr. (CAN END REIT; Self-adm.)

2 -JMB RLTY: \$17.50 (JMBRS-OTC) Comment: Buy/
 hold for spec. yield. (Sh: 510T, Book \$19.68)
Intangibles: Depr. \$1.42. Assets: \$34M, no
 nonearn. Mix: 49% apts., 17% offices, 17%
 shop ctrs.; 71% wraparound mtgs., 10% land
 leasebacks. Financing: \$24M debt is 2.4X \$10M
 equity; \$20M mtgs., \$4M bank debt.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	46c	46c	77ca	61c	2.30
FY'79	48c				

a-Incl. 13c prop. sale gain.

Div: \$2.00/yr. rate. (Adv. by Chicago rlty gp)

2N-KENTUCKY PROP: \$2.38 (KMTGS-OTC) Comment:
 Situation improving; broker Brent Baird con-
 trols 19½% shs. (Sh: 1100T, Book \$2.98)
Intang: Loss Res. \$1.45; Taxloss \$7.39.
Assets: \$13M, 85% non&lowearn; 88% forcl. Mix:
 45% apts., 39% land & devel.; 41% Kentucky.
Financing: \$8M debt is 2.4X \$3M equity;
 \$8M secured bank debt to 5/80 at 8%, 4% cash,
 rest deferred. Selling some apts. to repay.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d6c	1.05a	d6c	37ca	1.30a

a-98c asset swap gain.
 (NON-QUAL TRUST: Self-adm.)

5N-LIFETIME COM: \$1.25 (LFTMS-OTC) Comment: High
 risk. (Sh: 6632T, Book \$2.87) Intangibles:
 Loss Res. \$7.48; Taxloss \$10.43. Assets:
 \$133M, 74% non&lowearn; 58% forcl. Settlement:
 Ch. XI emergence 1/78: Banks get 65% of \$163M
 debt over 6 yrs. + 47% of stock; sub. debt
 gets 10% + 15% of par + 5.2% of stock.
Financing: \$70M debt is 3.7X \$19M equity.
Earnings: Jan. Q 8c after 4c tax benefit &
 2c gain. (FY Oct.; Corporation)

2N-LINCOLN: \$2.38 (LNMGS-OTC) Comment: Shs. &
Bonds: Spec. that new mgmt. can rebuild book
 value via development. (Sh: 1155T, Book \$1.17)
Intangibles: Loss Res. \$2.31; Depr. \$0.49;
 Taxloss \$3.56. Assets: \$12M, E61% non-&
 low-earn & foreclosed. Mix: 70% apts.
Financing: \$12M debt is 8.6X \$1.4M equity.
Earnings: Dec. Q 31c after 75c sale gain &
 taxloss. (FY Mar.; NON-QUAL TRUST: Self-adm.;
 Five large holders elected trustees in
 Oct.'78 + replaced old mgmt.)

2 -LOMAS & NET MTG: \$18.00 (LOM-NYSE) Comment:
 Buy/hold, shares depressed 35% below book by
 rate fear but exposure to 1% prime chng.= 2c/
 sh. qtr. (Sh: 3700T, Book \$27.84) Intangibles:
 Loss Res. \$2.74. Assets: \$278M, 14% nonearn;
 15% forcl. Making new loans. Mix: 46% const.
 loans, 25% land acq. & devel.; 55% Texas.
Financing: \$177M debt is 1.7X 103M equity;
 \$100M credit to 5/83 permits \$50M more
 comcl. paper. All debt floats.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	40c	42c	43c	45c	1.70
FY'79	48c	49c			EL.80

Div: Dec. 49c qtr.; 36c cap. ret. in '78.
 (Advised by largest U.S. mtg. banker)

2 -M&T MTG: \$11.38 (MTMIS-OTC) Comment: Buy
 for stable yield, good relative value.
 (Sh: 1482T, Book \$10.29) Intangibles:
 Loss Res. 66c. Assets: \$53M, 0.5% nonearn.
 & 0.2% forcl. All mtgs. in TX, most 1-family
 constr. & devel.; \$12M unfunded commitments
 at 11/78. Financing: \$37M debt is 2.5X \$15M
 equity; All bank debt secured; sponsor provides
 compensating balances.

EPS	Nov.	Feb.	May	Aug.	Year
FY'78	28¢	26¢	28¢	31¢	1.13
FY'79	32¢	44¢			El.20-1.25

Div: Increased to \$1.40/yr. rate in March.
(Advised by Houston Mtg. Banker)

1N-MARYLAND RL: \$3.75 (MDRTS-OTC) Comment:

Recovery spec.; Plans to become equity trust;
Federated Rein. owns 22.4%. (Sh: 760T, Book
\$8.57) Intangibles: Loss Res. \$2.76; Tax-
loss \$4.73. Assets: \$19M, 30% non- & 8% lowearn;
38% foreclosed. Mix: Most Ga. & Fla; 35%
apts., 31% land. Financing: \$10.3 bank
debt is 1.6X \$6.5M equity. Assets pledged.
Earnings: Nov. Q d2¢ after 1¢ taxloss & 1¢
sale gain. Feb. Q d7¢. (FY Nov.; NON-QUAL
TRUST: Self-adm.)

1 -MASSMUT M&R: \$13.53 (MML-NYSE) Comment: Buy/
hold at 31% below book. Sees div. held if
prop sale gain realized. (Sh: 4670T, Book
\$19.69) Converts: Safe yield. Intangibles:
Loss Res. 13¢. Assets: \$186M, 4% non- & 6%
low-earn; ½% forcl. Mix: 37% shop. ctr. & re-
tail, 33% apts.; 80% LT mtgs. Making new loans.
Financing: \$96M debt is 1.1X \$92M equity.
Small int. rate exposure. \$67M converts.
EPS: Jan. Apr. July Oct. Year
FY'78 36¢ 38¢ 37¢ 36¢ 1.47a
FY'79 36¢a

a-Incl. deben. repurchase gains: 11¢ '78;
5¢ '79.

Div: \$1.36/yr. rate. (Major life co. adv.)

5N-METROPLEX: 50¢* (JMI-OTC) Comment: Bonds
& Shares: Avoid. Filed Ch. XI 12/77 and
voting on plan giving bondholders 90% of co.
(Sh: 1184T, Book \$1.02 as going concern).
Intangibles: Loss Res. \$5.41; Taxloss
\$17.59. Assets: \$20M, 100% nonearn; 72%
forcl. Most land & lots. Financing: \$12M
debt is 9.6X \$1.25M equity as going con-
cern; d\$4M on liquidation basis. Debt is \$1M
bank + \$9.6M sub. debts. Earnings: 67¢ after
37¢ extra items in Sept. '78 FY.
(FY Sept.; NON-QUAL TRUST)

#2N-MIDLAND MTG: \$2.50 (MMT-NYSE) Comment:
Speculation on merger or acquisition.
Okla. broker P. Hoffman bought 17% of shs.
(Sh: 2382T, Book 32¢) Bonds: \$14.9M of 8%
debs. due 3/1/80 & seeking ways to pay.
Intangibles: Loss Res. \$2.02; Taxloss \$9.26.
Assets: \$23M, 69% non- & lowearn; 47% forcl.
Mix: 11% motel, 17% condo, 48% land.
Financing: \$19M debt is 21X \$0.8 net equity.
Debt: 22% converts; 78% subor. debens.
EPS: Sept. Dec. Mar. June Year
FY'78 d4¢ d9¢ d18¢ 18¢ d14¢a
FY'79 5¢ 6¢b

a-Incl. \$2.98 asset swap gains. b-14¢
debt repurch. & 23¢ sale gain.

(NON-QUAL TRUST: Became Self-adm. 3/79)

2- MILLER(HEN.S): \$14.25 (HSTMS-OTC) Comment:
Buy for LT recovery; Jackson group owns 11%.
(Sh: 560T, Book \$19.08) Intang: Loss Res.
\$1.49; Depr. \$3.09. Assets: \$23M, 8% non-
earn & foreclosed. Mix: 60% shop. ctrs.
owned, 18½% land; mostly Texas. Sold 2
offices, Kansas shop. ctr. & Tx. warehouse.

Financing: \$13M debt is 1.2X \$10.7M equity.
\$3M bank borrowings at ½% over prime;
\$9.9M mtgs. on prop.

EPS:	May	Aug.	Nov.	Feb.	Year
FY'78	16¢	15¢	4¢	17¢	52¢
FY'79	30¢	2.34a	29¢		

a-Incl. \$2.13 prop. sale & insur. gains.

Div: \$1.12/yr. rate; + 52¢ special in Apr.
(Dallas realty group adviser)

3N-MISSION: \$4.75 (MIT-ASE) Comment: Trading
only; Recent price runup on volume raises
risk, may tip buyout try. Intermark, Inc.
bought 8.7%. (Sh: 1812T, Book \$4.88)
Intangibles: Loss Res. \$1.90; Taxloss \$5.75.
Assets: \$20M, 29% non- & 29% low-earn; 59%
forcl. Mix: 37% land & devel., 45% resid.,
17% comcl. Financing: \$7.6M bank debt is 0.9X
\$8.8M equity. Bank debt at max. 8½% to 11/79;
Assets pledged.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	d16¢	d9¢	d5¢	13¢	d43¢
FY'78	15¢a	5¢a	d1¢	1¢	0.20a

a- Incl. 12¢ asset sale gains, 17¢
interest recovery.

(CAN END REIT: Self-adm.)

2 -MONY MTG: \$8.13 (MYM-NYSE) Comment: Hold;
Buy if div. is cut. (Sh: 8951T, Book \$9.79)
Converts: Safe yield. Intangibles: Loss Res.
10¢; Depr. 22¢. Assets: \$228M, 8% non- & low-
earn; 5% forcl. Mix: 29% office, 26% multi-
fam., 32% shop. ctrs.; 41% ST mtgs., 40% LT
mtgs. Making new ST commitments. Financing:
\$147M debt is 1.7X \$87M equity. \$98M ST debt,
most \$78M comcl. paper.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'78	16¢	16¢	16¢	38¢a	86¢a
FY'79	17¢	17¢	18¢		

a-Incl. 26¢ borrower restructure gain.

Div: 92¢ ann. rate but under "constant con-
sideration". (Major life co. adviser)

#1N-MORAGA CORP: \$3.88 (MORA-OTC) Comment: Good
spec. on acquisitions; Borrowed from life co.
to repay banks & boost book value. (Sh: 1355T;
Bk \$6.90). Converts: Spec. yield. Intangibles:
Loss res.\$5.78; Taxloss:\$14.76. Assets:
E\$42M, 42% non-earn; 70% forecl; Mix: 20%
land, 19% apts. Financing: \$25M debt
is 2.7X \$9M equity; Borrowed \$10.3M from New
England Mut. on secured basis.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	d6¢	25¢	22¢	2¢	43¢a
FY'79	d20¢	6.46a			

a-Incl. swap gains, taxloss benefits & in-
terest forgiveness: 69¢ '78; 6.92 '79.

(NON-QUAL CORP; Self-adm.)

1 -MTG GROWTH: \$8.13 (MTG-ASE) Comment: Spec.
buy/hold for LT recovery and 9.3% yield.
(Sh: 2637T, Book \$10.62+Depr. 1.14=\$11.76)
Intang: Loss Res. 30¢. Assets: \$46M, 7% non-
earn; 4% held for sale. Mix: 61% apts., 26%
offices; 34% Cal. Financing: \$21.2M debt is
0.8X \$28M equity; Debt: \$7.7M converts, \$0.1M
banks, \$13½M mtgs; New \$7M mtg. on LA prop.
EPS/GCF Feb. May Aug. Nov. Year
FY'78 10/18 12/20 13/21 14/22 49/81¢
FY'79 16/22

Div: Mar. 20¢, 80¢/ann. (Independent adv.)

3N-MTG INV WASH: \$2.00 (MINVS-OTC) Comment: Trading, recovery potential. (Sh: 2146T, Book \$4.10) Bonds: Risky yield. Intangibles: Loss Res. \$1.65; Taxloss \$3.68. Assets: \$48M, 38% non- & 12% low-earn; 44% forecl. Mix: 21% apts., 15% shop. ctr.; 15% mobile home. Financing: \$36M debt is 4.1X \$8.8M equity. \$10M sr. bank at 112½% of ¼ over prime, to 12/15/79. EPS: June Sept. Dec. Mar. Year
FY'78 11c d15c d1.14 d54c d1.72a
FY'79 25cb d22c d4c
a-Incl. 14c sale gains; b-38c sale gains.
(NON-QUAL TRUST; Self-adm. 1/79)

1N-MTG TR AM: \$8.38 (MT-NYSE) Comment: Buy/hold at 38% below book. Deciding soon whether resume div. or use EPS to rebuild book. Plans equity invest. & bought 6.4% of Prudent. (Sh: 3860T, Book \$13.54) Intangibles: Loss res. \$1.63; Taxloss \$2.07. Assets: \$63M, 41% non- & 17% lowearn; 35% forecl. Mix: 43% land & devel., 18% hotels, 18% apts.; Financing: \$6M debt is 0.1X \$51M equity. \$2M bank debt at 125% prime to 11/80. EPS: Feb. May Aug. Nov. Year
FY'78 18ca 48cb 14c 42cab 1.22ab
FY'79 21c
a-Incl. 36c prop. sales in FY'78. b-49c int. & 17c loss res. recovery.
(Advised by sub. of Transamerica Corp.)

4N-NATL MTG: 88c* (NMF-OTC) Comment: Moderating risk that land holdings will be difficult to market. Gwinnett Co., GA lot sales behind schedule. Broker Brent Baird holds 6.7%. (Sh: 3707T, Bk \$2.03) Intangibles: Loss Res. \$3.19; Taxloss \$2.51. Assets: \$31M, 76% non- & 7% lowearn; 58% forecl. Mix: 61% land, 16% comcl; 43% FL. Financing: \$12M debt is 1.6X \$7.5M equity; \$8.5M secured bank credit w/no interest in Ch. XI settlement. Earnings: Nov. Q nil.
(FY Feb.; NON-QUAL TRUST)

2 -NATIONWIDE RE: \$14.50 (NRELS-OTC) Comment: Buy/hold for merger. Old Stone Corp. offers \$18/sh. in new 9 3/8% convertible preferred. (Sh: 1047T, Book \$24.36) Converts: High yield. Intangibles: Loss Res. \$1.22. Assets: \$31M, 49% non-earn; 37% foreclosed; Halted new loans. Mix: 25% medical, 14% condos, 11% land; 30% Ohio, 17% Ind. Financing: \$6½M sub. debent. debt is 0.3X \$25½M equity; Earnings: Dec. Q 14c. (FY Mar.)

3N-NEWCORP INC. (was COUSINS): \$3.50 (NWC-NYSE) Comment: Hold/sell sh. & bonds for pos. benefits of diversification after merger into holding co. corp, Inc.; Fuqua Ind. to get 5-yr. option to buy 25% of Newcorp sh. at min. \$1.75/sh. if makes \$15M acquisition by 9/30. (Sh: 3845T, Book 89c) Intangibles: Loss Res. \$8.15; Taxloss \$12.90. Assets: \$130M, 74% nonearn; 69% forecl. Mix: 45% land/develop, 20% apts., 18% lodgings. Financing: \$96M debt is 24.7X \$3.9M net equity. \$66M bank debt at income or 2%, plus contingent, to 12/79. EPS: Nov. Feb. May Aug. Year
FY'78 d10c d17c d5c d1c d33ca
FY'79 d22cr 6cb
a-Asset swap gains: 73c. b-8c swap gains.
r-Restated.
(NON-QUAL CORP.; Self-administered)

2 -NEW PLAN RL: \$10.00 (NPR-ASE) Comment: Buy/hold for good quality yield; Plans to offer 660T sh. to redeem convts. & buy props. (Sh: 2537T, Book \$2.75 + Depr. \$2.72 = \$5.47) Assets: \$20M, no nonearn. Mix: 71% shop. ctrs. owned, 14% resid. Bought two NY shop. ctrs. w/193T sf. Financing: \$17M debt 2.5X \$7M equity; Debt: 81% mtgs., 18% subor. EPS/CFS Oct. Jan. Apr. July Year
FY'78A 25/25a 25/25a 18/17 0/0a 68/67ca
FY'79 23/22 19/18
A-Adjusted for 3/2 stock split 11/78.
a-Incl. 5c sale gain.
Div: 78c/yr paid monthly. (Self-adm.)

3N-NJB PRIME: \$2.63* (NJB-OTC) Comment: Hold/buy/ take stock for Ch. XI benefits. (Sh: 1330T, Book d\$7.81) Intang: Loss Res. \$17.98; Taxloss \$12.03. Assets: \$65M, 71% nonearn; 53% forecl. Mix: 43½% motor lodges/restaurants, 27½% condos. Financing: \$48½M debt over \$9½M neg. equity. Ch. XI plan confirmed 3/12/79; Deb. holders choosing between \$33 cash for \$100 subor. deb.; \$15 + \$35 in new 6% conv. deb. @ \$6; or \$15 + 20 sh. Swapping \$41M assets to repay all bank debt. Earnings: Nov. Q d68c; FY d\$2.37. (FY Nov.; NON-QUAL; Self-adm.)

3N-NO. AMER: \$4.38 (NAM-NYSE) Comment: Hold; Debt deal avoids default but dilutes stock; Converting \$17½M apts. to condo to improve liquidity. (Sh: 4401T, Book \$7.95) Bonds: Hold 8½s; Repaying 5½s by selling 2.5M new sh. @ \$3.26/sh. to Amer. Fincl., Cincinnati. Intang: Loss Res. \$2.57; Taxloss NA. Assets: \$140M, 38% non- & 52% low-earn; 71% forecl. Mix: 50% apts., 10% land; 34% FL. Financing: \$96M debt 2.7X \$36M equity; New \$32M term bank ln. EPS: Mar. June Sept. Dec. Year
1977 d32c d1.04 d35c d26ca d1.97a
1978 d34c d37c d32c d26c d1.29
a-Incl. 12c debt restructuring gain.
(Self-adm.)

2N-NOWSTRN FIN: \$8.88 (NFINS-OTC) Comment: Recovery and/or liquidation spec. Broker Brent Baird owns 13%. Seek taxloss use. (Sh: 1510T, Bk \$14.44) Intangibles: Loss Res. \$1.99; Taxloss \$3.64. Assets: \$33M, 37% nonearn; 23% forecl. Mix: 7% apts., 6% offices, 7% land, 44% intermed-long; 50% NC. Financing: \$9M bank debt 0.4X \$21½M equity; \$9M bank lines w/2 banks at ½ over prime; cut to \$6.6M 3/79. EPS: Mar. June Sept. Dec. Year
1978 8c 4c 12ca 9ca 33ca
a-17c tax benefit.
(NON-QUAL TRUST; N. Car. bank adviser; To become self-adm. 6/30/79 & change name.)

3 -NOWSTRN MUT: \$10.63 (NML-NYSE) Comment: Hold, 1% prime=2c/sh. qtr, but difficulties appear discounted. (Sh: 4758T, Book \$19.07) Converts: Safe. Intangibles: Loss Res. 63c. Assets: \$234M, 8% non- & 5% low-earn; 10% forecl. Mix: 26% office, 28% shop. ctr., 11% indust.; 58% LT mtgs. Financing: \$145M debt is 1.6X \$91M equity. \$77½M open bank lines; \$12M comcl. paper. EPS: June Sept. Dec. Mar. Year
FY'78 22c 30ca 17c 22c 91ca
FY'79 49cb 17c 20c 21c 1.07b
a-15c sale gain; b-35c sale gains in '79.

- Div: 25¢. Being helped by cap. gains & est. \$1 rate payout. (Major life co. adviser)
- 2 -PACIFIC RLTY (was US BANCORP): \$17.50 (PTR-ASE) Comment: For improving equity base. (Sh: 840T, Book \$17,12+Depr. 4.17=\$21.29) Mgmt. est. prop. value @ \$8.40/sh. over net book. Intangibles: Taxloss \$5.24. Assets: \$44M, 6% nonearn; 4% forcl. Mix: 66% prop. owned or under construction, most industrial, rest office. Financing: \$29M debt is 2.0X \$14M equity. \$15M secured term loan to 2/28/84.

EPS/CFS:	Aug.	Nov.	Feb.	May	Year
FY'78	4/23¢	10/8¢	11/27¢	48/65¢	53/1.23a
FY'79	28/44b	28/45b	48/65b		

a-29¢ loss res. credit. b-23¢ loss res. credit & 17¢ sale gains in 9 mon.
Div: 80¢/ann. rate. (Self-adm. 3/79)
- 1 -PACIFIC SO: \$8.63 (PSMTS-OTC) Comment: LT recovery or buyout candidate plus spec. yield; President bought 5½% of shares. (Sh: 800T, Book \$12.02) Intangibles: Loss Res. 98¢. Assets: \$9M, no nonearn or forcl. Mix: 88% comcl. LT loans, 6% property. Financing: No debt over \$9½M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	13¢	17¢	15¢	13¢	58¢
FY'79	15¢	19¢	24¢		

Div: Up 11% to 80¢/yr. rate. (Self-adm.)
- 1 -PENN RE: \$17.88 (PEI-ASE) Comment: Buy/hold LT for yield & gains. (Sh: 1527T, Bk \$13.17) Intangibles: Depr. \$12.99. Assets: \$63M. Mix: 38% apts., 36% shop. ctrs. Financing: \$52M debt is 2.6X \$20M equity. Debt: 93% mtgs.; borrows under \$6½M bank lines.

EPS	Nov.	Feb.	May	Aug.	Year
FY'78	82¢	24¢	37¢	87¢	\$2.30b
FY'79	50¢				

b-Incl. 88¢ sale gains.
Div: \$1.45 paid semi-annually, up 16%. (Phil. rlt. management)
- 5N-PLAZA RL: \$1.38 (PRISS-OTC) Comment: Avoid or trade only. (Sh: 1114T, Book 73¢) Intangibles: Loss Res. \$2.98; Taxloss \$7.54. Assets: \$23M, 70% nonearn & forcl. Mix: 88% prop. owned. Financing: \$18M debt is 21.8X \$815T equity. Debt: \$11M mtgs.; \$7M bank at 1% cash or earnings to 1983 up to prime. Earnings: Sept. Q d7¢. No audit opinion '77. (FY Dec.; NON-QUAL TRUST: Self-admin.)
- #2 -PNB MTG: \$10.50 (PNI-NYSE) Comment: Hold for LT recovery; Cutting interest vulnerability & plans share-for-share exch. for Sutro Mtg. (Sh: 2437T, Bk \$19.16) Intangibles: Loss Res. 53¢. Assets: \$92M, 4% non- & 11% low-earn; 13% forcl. Mix: 40% LT mtgs., 15% prop. owned; 46% apts., 16% office & indust. Adding assets. Financing: \$48M debt is 1.0X \$47M equity; \$23M comcl. paper.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	22¢	16¢	23¢	24¢a	85¢a
FY'79	56¢b				

a-Incl. 5¢ prop. sale gains. b-35¢ sale gain. Est: FY'79 EPS rising. Div: Dec. 27¢, up 23%. (Adv. Phil bank subsidiary)
- 3 -PROP CAP: \$12.38 (PCL-ASE) Comment: Buy/hold for yield and LT recovery; Investing in new warehouses. (Sh: 2065T, Book \$13.78) Intangibles: Loss res. 67¢. Assets: \$48M, 7% non-earn. Mix: 36% apts., 29% office, 20% shop. ctrs.; 65% leasebacks, 35% LT jr. mtgs. Seek new investments. Financing: \$19.4M debt is 0.7X \$28M equity; \$15M Bank lines at ¼% over prime; \$5M borrowed.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	30¢	30¢	30¢	30¢a	1.20a
FY'79	30¢b	33¢			E1.25

a-Incl. 10¢ sale gain. b-10¢ sale gain.
Div: \$1.32/ann. rate. (Independent mgmt)
- 2 -PROP TR AM: \$5.63 (PTRAS-OTC) Comment: Hold; Shamrock Assoc. owns 8.6% & will seek liquidation. (Sh: 2338T, Bk \$7.42 + Depr. \$1.64=\$9.06) Assets: \$32M, 8% nonearn; 8% forcl. Mix: 18% mtgs; 72% investment prop.; 83% Tex. Seeks jt. ventures to build props. & use foreclosed land. Financing: \$16M debt is 0.9X \$17M equity; \$15M mtgs.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1977	1/3	7/10	2/5	16/17a	26/35¢
1978	2/6b	2/5	11/15b	6/8	20/35¢b

a-Incl. 11¢ prop. sale gain. b-6¢ gain & 3¢ tender expense.
Div: 36¢ ann. rate; up 13%; Div. 52% return of capital. (Self-adm)
- 3 -PRUDENT RE TR: \$6.75 (PRU-ASE) Comment: Hold; Johncamp Rlty., 60% owned by Campeau Corp., Canada, & 40% by John Wartin/Joe Akerman (see Compass), tendering for sh. at \$7; Have 45% & will pay if & when Fed. court dispute resolved; Mtg. Trust of Amer. buys 6.4% @ 7¼-7½. (Sh: 3146T, Net book \$2.45 + accum. deprec. \$5.87=\$8.32) Assets: \$37M, 97% properties, incl. apts. providing 80% of rents. Financing: \$30.7M debt is 4.0X \$7.7M net equity; Debt is mtgs. & leases. Earnings: Nov.'78 FY: 30¢ incl. 20¢ asset sale gains. Div: Paying 24¢ ann. Yld: 3.5%.
- 2 -RL & MTG PAC: \$15.00 (RPACS-OTC) Comment: Sh. & Converts: Hold, moderately vulnerable to interest rates. (Sh: 1890T, Bk \$18.07) Intangibles: Loss Res. 20¢; Depr. 47¢. Assets: \$99M, 1% non-earn; 14% forcl. Mix: 26% hotel/motel, 23% office; 67% mtgs; 33% prop.; 46% Calif., 22% Hawaii. Financing: \$64M debt is 1.9X \$34M equity; \$60M bank credit to 12/82; \$30M comcl. paper backing & \$30M line to 9½% max.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	24¢	21¢	29¢	38¢	1.22
FY'79	53¢a				

a-Incl. 16¢ cap. gain, to be paid at yr-end.
Div: \$1.40/yr., incl. about 20¢/sh. depr. (Bank of Hawaii adviser)
- 2 -REIT AMER: \$19.50 (REI-ASE) Comment: Hold for LT improvement of prop. yld. Sold Atlanta industrial park in Apr. (Sh: 1633T, Book \$21.86) Intangibles: Depr. \$7.87. Assets: \$43M, prop. 7% vacant overall. Mix: 44% shop. ctrs., 25% office, 19% indust.; 45% Cal., 12% Mass. Financing: \$12M mtg. debt is 0.3X \$36M equity.

	Feb.	May	Aug.	Nov.	Year
EPS: FY'78	67¢	31¢	28¢	44¢	1.70a
FY'79	63¢a				

a-Prop sale gains: 40¢ in FY'78; 21¢ '79.
Div: Up 33%, \$1.60/yr rate; Div. paid since 1888. Paid 20¢ extra. in Jan. '79.
(Self-adm.; Oldest U.S. trust)

- 2 -RLTY INCOME: \$11.63 (RIT-ASE) Comment: Hold LT for improving properties, good 12% yield. High inter. hurts EPS. European group owns 20% of shares. (Sh: 1578T, Book \$11.59)
Converts: Yield. Intangibles: Loss res. 95¢. Assets: \$69M, 36% non-& 13% low-earn; 42% forcl. Mix: 39% mtgs., 19% invest. prop. Sold large Cal. tract 10/78 at \$3.66/sh. gain. Financing: \$54M debt is 2.9X \$18M equity; \$136M under \$23M bank lines at prime; \$20M term at 1½% over prime to '80.

	July	Oct.	Jan.	Apr.	Year
EPS: FY'79	0.32	3.32b	d16¢		

b-Incl. \$3.94 sale gain.

Div: \$1.40/yr. paying cap. gains. (Self-adm)

- 3 -RLTY REFUND: \$14.75 (RRF-NYSE) Comment: Hold; EPS partly sensitive to prime. (Sh: 1377T, Bk \$17.38) Bonds: Attractive for yield. Intangibles: No reserve. Assets: \$64M, no problems; Mix: 80% wraparound mtgs., 20% LT mtgs; 43% apts., 21½% office, 19% industrial. Financing: \$38M debt is 1.6X \$24M net equity; \$2½M bank debt at prime to 10/81; Sold \$20M of 11 3/8% sr. debent.

	Apr.	July	Oct.	Jan.	Year
EPS: FY'79	51¢	47¢	42¢	41¢	1.81

Div: Jan. Q 41¢, down 2%. (Adv. Independent realty group)

- 3N-REPUBLIC MTG: \$2.38 (RMI-NYSE) Comment: Trading, spec. on swaps; still in red. (Sh: 2107T, Book \$3.57) Intangibles: Loss Res. \$4.99; Taxloss \$11.51. Assets: \$48M, 56% non-& 22% low-earn; 77% forcl. Mix: 28% land acq. & devel., 19% condos, 62% Fla. Financing: \$28M debt is 3.4X \$8.2M equity. \$25M bank credit to 12/78 at 3% cash or net cash income, + conting.

	Mar.	June	Sept.	Dec.	Year
EPS: 1978	d30¢	+0¢a	d10¢	d33¢	d73¢a

a-Incl. 30¢ swap gains.

- 2 -RIVIERE RL: \$5.25* (OTC) Comment: Improving but small. (Sh: 783T, Book \$8.64 + Depr. \$5.31=\$13.95) Assets: \$21M, 1% forcl. & NE. Financing: \$15M debt is 2.2X \$6.8M equity. \$9½M mtgs. on prop. Earnings: Dec. Q EPS 19¢; FY 70¢ incl. 4¢ sale gain. Sept. CFS 25¢. Div: 60¢/ann. rate. (FY Dec.)

- 2 -SAN FRAN RE: \$21.00 (SFI-ASE) Comment: Buy/hold at 5% below book. Unicorp Fin., Can., bought 5%. (Sh: 1376T, Bk \$19.90+Depr. \$4.78=\$24.68) Intang: Loss res. \$1.59; Assets: \$63M, 5% forcl. & non-earn. Mix: 52% office, most bank occupied; 9% apts. Seeks new props. Sold 2 forcl. tracts 11/78. Financing: \$36M debt is 1.3X \$27M equity; 93% mtgs.
- | | Mar. | June | Sept. | Dec. | Year |
|---------|--------|--------|--------|--------|-----------|
| EPS/CFS | 20/26¢ | 13/19¢ | 10/18¢ | 27/35¢ | 90/1.11 |
| 1978 | 23/28¢ | 25/33¢ | 29/35¢ | 33/40 | 1.10/1.36 |
- Div: Dec. up 14% to \$1.60/yr. rate. (Independ.)

- 2N-SAUL RE: \$8.75 (BFS-NYSE) Comment: Still buy-out candidate; Props. improving & selling apts as condos. Insiders buying. (Sh: 5893T, Book \$4.56) Bond & converts: For yield. Intangibles: Loss Res. 4¢; Depr. \$3.49; Taxloss \$6.66. Assets: \$242M, 12% non-& 10% lowearn. Mix: 94% props; 39% shop. ctrs., 28% apts. Financing: \$215M debt is 8.0X \$27M equity; \$47M under bank revolver at 125% prime to 4/30/79 & new pact in process; \$105M mtgs. incl. new \$51M mtgs. w/proceeds to pay banks.

	Dec.	Mar.	June	Sept.	Year
EPS: FY'78	d29¢	d20¢b	d16¢b	d20¢b	d84¢b
FY'79	d13¢b				

b-Incl. 25¢ gain on asset sales in '78; 1¢ in '79.

(NON-QUAL TRUST: Wash. rltty. group advisor)

- 1N-SECURITY MTG: \$4.38 (SMO-ASE) Comment: Buy; Holders OK selling 923T sh. @ \$3.25 to Smith, Barney RE, signaling poss. EPS break-out. (Sh. 6487T, Book \$5.96) Bonds: Fairly priced. Intangibles: Loss res. \$1.67; Taxloss \$2.80. Assets: \$115M, 29% nonearn; 28% forcl. Mix: 42% comcl. mtgs., 17% medical mtgs. Financing: \$66M debt is 1.7X \$38½M net equity; \$10M bank debt at 125% of prime extended to 6/29/79. Renegotiating for \$15M.

	Dec.	Mar.	June	Sept.	Year
EPS: FY'78	d2¢	d1¢a	d13¢a	d3¢a	d18¢a
FY'79	d1¢				

a-Incl. 4¢ debt extinguishment gain.

(CAN END REIT: Smith Barney affil. is adv.)

- ↑ 2N-SO ATLANTIC: \$4.38 (SAT-NYSE) Comment: Improving spec. value on condo sales.

(Sh: 2706T, Book \$2.98) Bonds: Inter. paid 8/78. Spec. yield. Intangibles: Loss Res. \$4.99; Taxloss \$8.72. Assets: \$109M, 70% non-& 16% low-earn, 82% foreclosed. Mix: 57% apts/condos, 37% land; 90% Fla. Financing: \$89M debt is 9.9X \$9M equity. \$69M bank credit to 6/79 accruing at prime.

	Jan.	Apr.	July	Oct.	Year
EPS: FY'78	d57¢	d46¢	8¢a	34¢b	d61¢ab
FY'79	d35¢b				

a-83¢ loss reserve credit. b-57¢ swap gain & 40¢ sale gain '78; 27¢ '79.

(NON-QUAL: Becoming SO. ATLANTIC FINCL. CORP.)

- ↑ 2N-STATE MUT: \$4.88 (SMU-NYSE) Comment: Spec. on benefits of new money; agrees to merge with Greenville Corp. & sell 2.79M new sh. for \$5.03/sh. (\$14M) cash & assets to Belzberg Group, Canada. (Sh: 2786T, Bk \$8.19) Bonds: Hold. Intang: Loss Res. \$3.26; Taxloss \$7.33. Assets: \$54M, 70% non-& low-earn; Mix: 25% apts.; 24% land. Financing: \$23M debt is 1.0X \$23M equity; Sr. debt \$16M at 2% to 7/79.

	June	Sept.	Dec.	Mar.	Year
EPS: FY'78	d16¢	d15¢	9.62a	4¢	9.35a
FY'79	6¢b	23¢b	10¢b		

a-\$8.39 debt restructuring gain.

b-Taxloss benefit 19¢ & asset sales 18¢ in 9 mos.

(NON-QUAL TRUST: Major life co. adv.)

- 2N-SUMMIT PROP: \$4.25 (SMMTS-OTC) Comment: Agrees to exchange all sh. for 850,532 sh. Investors Rltty. (or abt. 0.55/RT sh.) &

merge, provided all approvals given. (Sh: 1543T, Book \$5.77 + Depr. \$6.04=\$11.81) Intangibles: Loss Res. \$1.03. Earnings: d\$1.20 in Oct. '78 yr.

2 -SUTRO MTG: \$10.13 (SUT-NYSE) Comment: Buy for LT recovery at 35% below book value; To seek shareholder ok of sh.-for-sh. exch. for PNB Mtg. & Rlty. (Sh: 2322T, Book \$15.56) Converts: Safe yield. Intangibles: Loss Res. \$1.18. Assets: \$65M, 12% non- & 7% low-earn; 13% forcl. Mix: 32% office, 15% hotel/motel, 23% indust; most CA. Financing: \$25M debt is 0.7X \$36M equity; Debt is 82% converts, rest bank lines.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	19c	32c	12c	20c	82ca
FY'79	26cb	32cb	25c		E1.00+

a-Incl. 31c asset sale gains.

b-Incl. 37c asset sales thru 12/78.

Div: Dec. 25c, \$1/yr. rate. (Advised by Los Angeles mortgage banker)

1N-TEXAS FIRST: \$5.00 (TFMRS-OTC) Comment: Spec. on recovery at 55% below book or favorable merger. Eastover owns 18.3% of sh. (Sh: 1055T, Book \$7.95) Intangibles: Loss Res. \$3.03; Taxloss E\$8.25. Assets: \$17M, 69% nonearn; 55% forcl. Mix: 37% land. Financing: \$6M bank debt is 0.7X \$8.5M equity; bank credit at 8% to 9/79; Swapping to pay banks; assets pledged. Earnings: Dec. Q d8c. (FY June; NON-QUAL; Self-adm)

2N-TIERCO: \$3.88 (TIERS-OTC) Comment: Spec. at 56% below book; NYC investor J. Upham bought 10%. (Sh: 1170T, Book \$6.62) Intangibles: Loss Res. \$2.65. Taxloss \$9.61. Assets: \$29M, 38% non- & 32% low-earn; Mix: Heavy Okla. & TX. Financing: \$17.8M debt is 2.3X \$7.8M equity; \$4M bank debt accrual to 8½% or prime, to 6/80. Earnings: Sept. Q 12c after 31c loss res. credit. (FY Dec.; NON-QUAL TRUST; Self-adm.)

↑ 2N-TRECO: \$1.25 (TRECS-OTC). Comment: Some spec. interest on restructuring but future still clouded. (Comm.Sh.: 2238T, Book 89c) Bonds: Inter. paid on old bonds 10/78. Old 8½s & new pfd. now convertible at \$1.62/sh. or 5.39M poss. sh. Two blocks bought. Intangibles: Loss Res. \$10.03; Taxloss \$24.53. Assets: \$108M, 8% non- & 80% low-earn; 80% forcl. Financing: \$79M debt is 39X \$2M equity; \$59M six-year bank credit at 1% inter. + partial asset pledge. Earnings: Dec. Q d13c. (FY Mar.; PLANS CORP. FORM; Self-adm.)

↑ 2N-TRI-SOUTH MTG: \$3.13 (TRI-NYSE). Comment: Interesting; Poss. \$1.49/sh. inter. forgiveness in June qtr. (Sh: 2275T, Book \$3.59) Bonds: 53% took new 10% sr. convert @2½; Old 7 3/4s current but \$11.4M due 2/15/80. Intangibles: Loss Res. \$9.36; Taxloss \$10.58. Assets: \$75M, 51% nonearn, 16% low; 47% forcl. Mix: 38% mtgs., 15% invest. prop.; 33% GA, 21% Tex. Financing: \$44M debt is 5.4X \$8.2M equity; Cut bank debt to \$8M at 6% on 12/78.

EPS	Mar.	June	Sept.	Dec.	Year
1977	d17ca	d69ca	d65ca	d61ca	d74ca
1978	d23	d5b	1.34b	30cb	\$1.37b

a-\$2.71 extra gains. b-\$1.48 restructure gains. (Adv. by 3 SE banks; NON-QUAL)

4N-UMET TRUST: \$3.38 (UAT-NYSE). Comment: Spec.; Perpetual Storage, private Utah co., bought 14% & took control 3/79. (Sh: 2109T, Bk 48c) Intangibles: Loss Res. \$6.76; Taxloss \$9.01; Depr. 78c. Assets: \$76M, 20% non-, 42% low-earn; 55% forcl. Mix: 26% offices. Financing: \$59M debt is 58X \$1M equity; \$46M bank credit to 8/79 at 6%; Renegotiating. EPS: Feb. May Aug. Nov. Year
FY'78 d50ca d2.16a d72ca \$1.15a d2.23a
FY'79 2.79b
a-Incl. 82c asset swap gains & \$2.74 inter. forgive. b-Incl. 95c inter. forgive & asset swap gains. (NON-QUAL TRUST; Self-admin.)

#1 -UNITED RLTY: \$10.25 (URT-ASE). Comment: Buy at 42% below book value for problem loan solution; Chrm. Weinberg bought 286T sh. from Fed. Devel. @ \$12.55/sh; owns 12.6%. (Sh: 3610T; Bk \$17.60). Intang: Loss Res. \$1.09. Assets: \$79M, 38% non- & 4% low-earn; 34% forcl. Mix: 17% GNMA's (pledged), 43% other mtg., 6% invest. prop. Financing: \$11½M debt is 0.2X \$63½M equity. Pledged GNMA's to repay banks \$9M.

EPS:	Feb.	May	Aug.	Nov.	Year
1978	20	20a	21a	20a	81ca
1979	20c				E82c

a-2c sale gain May, 2c prepay. in Aug., 5c litigation chg. Nov. Div.: Nov. qtr. 20c, 80c/ann. rate. (Independent)

2N-U.S. REALTY: \$7.13 (UTY-NYSE). Comment: Buy/hold for long-term recovery; In strong up-trend; reducing mtgs. Insiders buying. (Sh: 3434T, Net Book \$3.95+ Depr. \$9.82=\$13.77) Converts: OK for risk income. Intangibles: Loss Res. \$1.82. Assets: \$86M, E16% non- & 15% low-earn. Mix: 35% mtgs., 65% owned & joint venture property. Financing: \$69M debt is 5.2X \$13.6M equity; \$13.6M bank debt at 125% of prime; Got OK to invest \$3.75M internal funds into equities.

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1977	d12/1c	4/17c	8/21c	5/23c	5/62ca
1978	d6/7	d5/8	d6/7c	d9/p13c	d26/p39c

a-22c asset sale gains & 16c debenture repur. gains. (NON-QUAL; Cleveland rlty. mgmt.)

2 -VIRGINIA REIT: \$12.00 (VARES-OTC). Comment: Hold/buy for long-term. (Sh: 1161T, Book \$10.02 + Depr. \$4.03 = \$14.05). Assets: \$36M, 17% foreclosed & nonearn. Mix: 95% prop. Finance: \$24M secured mtgs. 1.9X \$12½M equity. EPS/CFS: Mar. June Sept. Dec. Year
1978 d5/16c d9/d4c 10/19c 9/ 15/ a
a-After 23c mtg. prepayment penalty. Div.: 80c/yr. rate (Self-adm.)

2N-WACHOVIA RLTY: \$5.00 (WRI-NYSE). Comment: Spec on LT recovery & asset disposition; 45% below book. (Sh: 3335T, Book \$9.13). Intangibles: Loss Res. \$3.94; Taxloss \$4.62. Assets: \$84M 47% non- & 15% low-earn; 49% foreclosed. Mix: 51% mtgs., 12% land & devel.; 20% shop.ctr., 19% hotel/motel. Financing: \$40M debt 1.3X \$30M equity; \$40M bank debt to 7/79 at prime + contingent inter. at 125% of prime.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	d18c	d28c	d18c	d10c	d74c
FY'79	d60c	d8c			

(NON-QUAL REIT; S. Car. bank adv.)

2N-WALTER RLTY: \$5.13 (WALJS-OTC). Comment:

Buy/hold for merger/acquisition potential. (Sh: 1035T, Net Book \$7.67+Depr. 39¢=\$8.06) Intang: Loss Res. \$2.31; Taxloss \$9.71. Assets: \$22M, 37% nonearn; 42% foreclosed; 59% property. Mix: 22% mob. home, 18% indus., 16% shop. ctr., 15% land; 47% Fla. Financing: \$12M debt is 1.5X \$8M equity. \$1M bank debt to 10/79 at 117% of prime; \$9M Eurodebt extended to 10/81.

EPS: Oct. Jan. Apr. July Year
FY'78 d33¢ d1.17 d40¢ +67¢ d1.24a
FY'79 27ab d7¢b

a-Asset sales: \$1.01 in '78; 42¢ in Oct. '78.
b-Incl. 8¢/sh. taxloss benefits in 6 mos.
(NON-QUAL TRUST; Bldg. mtl. co. adviser)

2 -WASHINGTON REIT: \$24.50 (WRE-ASE). Comment:

Buy/hold for income, quality assets, condo potential in apts. (Sh: 1518T, Book \$11.46 + Depr. \$6.64 = \$18.10). Assets: \$31½M, no nonearn. Mix: All property, 98% in Wash. DC area; 54% hi-rise apts, 23% shop. ctrs. Financing: \$16M debt is 0.9X \$17M net equity. Debt is \$15.7M mtgs. + \$0.2M converts.

EPS/CFS Mar. June Sept. Dec. Year
1977 38/44¢ 1.48/1.55a 38/44 48/55 2.72/2.97 #2
1978 34/38 47/52 38/43 52/p59 1.70/pl.93

a-Incl. \$1.08 prop. sale gains. Div.: Raised to \$1.96/yr. rate in Feb. (Independent)

2 -WELLS FARGO M&E: \$13.88 (WFM-NYSE). Comment:

Hold for recovery at 22% below book; 1% prime cuts 3¢ off qtr.EPS. (Sh: 3919T, Book \$17.70) Intangibles: Loss Res. \$1.42; Depr. 96¢. Assets: \$218M, 4% non-& 17% low-earn; 5% foreclosed. Mix: 70% mtgs., 26¢ invest. property. Financing: \$143M debt is 2.1X \$69M equity. Has \$144M open bank lines backing \$122½M comc'l. paper rated A-2. Making new commit.

EPS: Sept. Dec. Mar. June Year
FY'78 31¢a 39¢a 30¢a 34¢a \$1.34a
FY'79 42a 40a

a-Asset sale gains: 24¢ in '78; 21¢ in FY/78.
Div.: \$1.20/yr. rate. (W.Coast bank adv.)

2N-WESTERN MTG: \$3.75 (WMTGS-Bos). Comment: Spec. buy for recovery; May pay year-end div. (Sh: 1003T, Book \$7.83). Intangibles: Loss Res. 76¢; Depr. 41¢. Assets: \$20M, 20% non-& 4% low-earn. Bought 107T sf Shop. Ctr. in N.H. Mix: 44% mtgs., 56¢ prop. Financing: \$12M debt is 1.5X \$7.8M equity. Earnings: Nov. Q 8¢ after 5¢ sale gain. (FY Feb., Independent mgmt.)

2N-WESTPORT CO: \$3.38 (WSPTS-OTC). Comment:

Speculative buy. (Sh: 2388T, Book \$4.58). Converts: Possible tender. Intangibles: Loss Res. \$5.27; Taxloss \$6.87. Assets: \$71M, 45% non-& 20% low-earn; 31% forecl. for sale, 20% for invest.; 26% land, 21% office Financing: \$47M debt is 4.3X \$11M equity. \$42M bank debt to 8/79 at 4% or net income w/conting. int. to 8%; Earnings: d1½¢ in Jan. qtr. (NON-QUAL; Self-adm.)

#2 -WISC RE: \$2.88 (WREIS-OTC). Comment: Spec. on improving trend; Pincus/Abbott bought 8.4% sh. (Sh.: 1514T, Net Book \$4.86+Depr. \$4.46=\$9.32) Intang: Loss res. 10¢. Taxloss \$1.84. Assets: \$34M, 0.5% nonearn. Mix: 72% props., 17% constr. inventory, 11% mtgs. Bought Orlando homebuilder & developing land. Sold 772 DU Oxon Hill, Md. in Dec. Q & seeks reinstate past-due \$3.25M mtg. Financing: \$25M debt is 3.4X \$7M equity. \$22M mtg. debt; \$3M short term. Earn: Dec. yr. EPS 24¢ incl. 12¢ taxloss. Div: Paying 4¢ special in Apr. (FY Dec.; NON-QUAL TRUST; Self-adm.)

REIT TAX STATUS: All trusts listed except those noted qualify as real estate investment trusts and are exempt from Federal income taxes to extent they distribute 90% of income to shareholders. Qualified trusts may use taxloss carryforwards to shelter future profits and rebuild capital. Non-qualified trusts have no dividend distribution requirement. Three stages in transition are shown: VOTING POWER to END REIT STATUS when a proposal is pending before shareholders to give trustees discretion over whether to continue to qualify; CAN END REIT STATUS, when shareholders have given trustees power to end qualification; and NON-QUAL TRUST, when trustees have ended qualification and the entity operates as a business trust taxed as a corporation. Trustees of these entities generally have made no decision on whether to requalify and investors should not assume they will requalify and pay dividends if and when profits are restored. The 1976 Tax Reform Act restricts requalification.

Technical notes: Net cash flow per share (CFS) is computed by Audit as: Net income plus depreciation and partnership distributions in excess of earnings less mortgage principal payments and remodeling reserves. Intangibles: Depreciation is added to book value by Audit to approximate market value of properties for cash flow trusts (See RTR, 3/23/79); Loss reserves will normally be spent unless trust recaptures via accelerated dispositions, mainly via asset swaps; Taxloss carryforwards are generally worth 10% to 25% of amounts shown but value varies widely depending upon timing, aggressiveness of management, etc.

NO. 1 RANKED TRUSTS

Dividend payers	No dividend
BankAmer. Realty	Compass Inv. Gr.
Conn.Gen. M&R	Cameron-Brown
Federal Realty	Eastover Corp.
Fla. Gulf Realty	Fidelco Growth
GREIT Realty	GMR Properties
Hospital Mtg. Gr.	Great Amer. M&I
Hotel Investors	Indiana M&R
MassMutual M&R	Institutional Inv.
Mtg. Growth Inv.	Maryland Realty
Pacific So. Mtg.	Moraga Corp.
Penn. REIT	Mtg. Trust of Am.
United Realty	Security Mtg.
	Texas First Mtg.

MAJOR DEVELOPMENTS AND DATA CHANGES THIS ISSUE

The following stock reviews contain major new developments or financial data since our last Ranking Feb. 9:

Amer. Realty	Compass Inv.	ICM Rlty.	Pac. Tr.
Baird & Warner MI	Cont. Ill. Pr.	Kent. Pro.	PNB Mtg.
Bay Colony Props.	Cont. Ill. Rl.	Md. Rlty.	Prop. Tr.
Barnes Mtg. Inv.	Eastover Corp.	Metroplex	RAMPAC
BT Mortgage Inv.	First Memph.	MidJand	Saul(B.F.)
Builders Inv. Gr.	First Mtg.	Mtg.Tr.Am.	State Mut.
Cameron-Brown Inv.	First Penn.	Nationwide	Tri-South
Central Mtg. Inv.	First Virgin.	NJB Prime	UMET Tr.
C.I. Realty Inv.	Gen'l. Growth	No. Amer.	United Rl.
Cit. & So. Realty	GREIT Rlty.	Newcorp.	Westport
Citizens Growth	Grt. Amer.	Penn. REIT	Wisc. RE